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Draft Prospectus  
Dated: August 11, 2023  
Please read Section 32 of the Companies Act, 2013  
Fixed Price Issue

## ORGANIC RECYCLING SYSTEMS LIMITED

Corporate Identity Number: U40106MH2008PLC186309

|   |                                 |   |                                 |   |  |  |  |
|---|---------------------------------|---|---------------------------------|---|--|--|--|
| Registered Office   |                                 | Contact Person                              |                                 | Email and Telephone   |  | Website  |  |
| Office No. 1003, 10th Floor, The Affaires<br>Plot No. 9, Sector-17, Sanpada, Navi<br>Mumbai- 400705.  |                                 | Ms. Zinal Mukund Shah                       |                                 | Email: <a href="mailto:cs@organicrecycling.co.in">cs@organicrecycling.co.in</a><br>Tel : 022-41702222 |  | <a href="http://www.organicrecycling.co.in">www.organicrecycling.co.in</a> |  |
| <b>PROMOTER OF THE COMPANY</b>  |                                 |   |                                 |   |  |  |  |
| <b>MR. SARANG BHAND</b>   |                                 |   |                                 |   |  |  |  |
| <b>DETAILS OF THE ISSUE</b>   |                                 |   |                                 |   |  |  |  |
| Type  | Fresh Issue size<br>(Rs. lakhs) | OFS Size<br>(Rs. lakhs)                     | Total Issue Size<br>(Rs. lakhs) | Eligibility   |  |  |  |
| Issue of Equity<br>Shares   | 5,000.40                        | -   | 5,000.40                        | The issue is being made in terms of Chapter IX of<br>the SEBI ICDR Regulations, 2018 as amended       |  |  |  |
| <b>THE ISSUE</b>  |                                 |   |                                 |   |  |  |  |
| PUBLIC ISSUE OF 25,00,200 EQUITY SHARES OF RS. 10/- EACH OF ORGANIC RECYCLING SYSTEMS LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 200/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 5,000.40 LACS ("THE ISSUE"), OF WHICH, 1,30,200 EQUITY SHARES OF RS. 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 23,70,000 EQUITY SHARES OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 32.47% AND 30.78%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.   |                                 |   |                                 |   |  |  |  |
| <b>RISK IN RELATION TO THE FIRST ISSUE</b>  |                                 |   |                                 |   |  |  |  |
| This being the first Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 20 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter "Basis For Issue Price" beginning on page 64 of this Draft Prospectus) 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 shares of our Company or regarding the price at which the Equity Shares will be traded after listing.  |                                 |   |                                 |   |  |  |  |
| <b>GENERAL RISKS</b>  |                                 |   |                                 |   |  |  |  |
| Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 17 of this Draft Prospectus |                                 |   |                                 |   |  |  |  |
| <b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>   |                                 |   |                                 |   |  |  |  |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.  |                                 |   |                                 |   |  |  |  |
| <b>LISTING</b>  |                                 |   |                                 |   |  |  |  |
| The Equity Shares Issued through this Draft Prospectus are proposed to be listed on the 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 "in-principle" approval letter dated [●] from BSE Limited ("BSE") for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE.  |                                 |   |                                 |   |  |  |  |
| <b>LEAD MANAGER TO THE ISSUE</b>  |                                 |   |                                 |   |  |  |  |
| Name and logo   |                                 | Contact Persons                             |                                 |   | Email and Telephone  |  |  |
|  <b>Arihant Capital Markets Limited</b>   |                                 | Mr. Amol Kshirsagar /<br>Mr. Satish Kumar P |                                 |   | Email : <a href="mailto:mbd@arihantcapital.com">mbd@arihantcapital.com</a><br>Tel : 022-42254880 |  |  |
| <b>REGISTRARS TO THE ISSUE</b>  |                                 |   |                                 |   |  |  |  |
| Name and logo   |                                 | Contact Person                              |                                 |   | Email and Telephone  |  |  |
|  <b>Maashitla Securities Private Limited</b>  |                                 | Mr. Mukul Agarwal                           |                                 |   | Email : <a href="mailto:ipo@maashitla.com">ipo@maashitla.com</a><br>Tel : 011-45121795-6         |  |  |
| ISSUE OPENS ON  |                                 |   |                                 | ISSUE CLOSES ON   |  |  |  |
| [●]   |                                 |   |                                 | [●]   |  |  |  |



Draft Prospectus  
Dated: August 11, 2023  
Please read Section 32 of the Companies Act, 2013  
Fixed Price Issue

## ORGANIC RECYCLING SYSTEMS LIMITED

Corporate Identity Number: U40106MH2008PLC186309

Our Company was originally incorporated as Organic Recycling Systems Private Limited under the provisions of the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on 29th August 2008. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of Members of the Company held on September 26, 2022 and the name of our Company was changed to Organic Recycling Systems Limited vide a fresh Certificate of Incorporation dated 29<sup>th</sup> September 2022 issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. For details of the changes in our Name, Registered Office and other details, please see section titled "History and Certain Other Corporate Matters" on page no. 111 of this Draft Prospectus.

Registered Office : Office No. 1003, 10th Floor, The Affaires Plot No. 9, Sector-17, Sanpada, Navi Mumbai- 400705.

Tel : 022-41702222, E-mail : cs@organicrecycling.co.in, Website : www.organicrecycling.co.in

Contact Person : Ms. Zinal Mukund Shah, Company Secretary & Compliance Officer

### PROMOTER OF OUR COMPANY: MR. SARANG BHAND

#### THE ISSUE

PUBLIC ISSUE OF 25,00,200 EQUITY SHARES OF RS. 10/- EACH OF ORGANIC RECYCLING SYSTEMS LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 200/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 5000.40 LACS ("THE ISSUE"), OF WHICH, 1,30,200 EQUITY SHARES OF RS. 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e., ISSUE OF 23,70,000 EQUITY SHARES OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 32.47% AND 30.78%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME ("SEBI ICDR REGULATIONS").** This issue is a fixed price issue and allocation in the net issue to the Public will be made in terms of Regulation 43(4) of the SEBI ICDR Regulations. For further details, please refer to section titled "Issue Procedure" on page no. 259 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of their respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to "Issue Procedure" on page no. 259 of this Draft Prospectus

**Eligible Investors :** For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page no. 259 of this Draft Prospectus

#### RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 20 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter "Basis For Issue Price" beginning on page no. 64 of this Draft Prospectus) 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 shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no. 17 of this Draft Prospectus

#### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 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 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 this Draft Prospectus are proposed to be listed on the 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 "in-principle" approval letter dated [●] from BSE Limited ("BSE") for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE.

#### LEAD MANAGER TO THE ISSUE



**Arihant Capital Markets Limited**  
Merchant Banking Division  
SEBI Registration No.: INM 000011070

#1011, Solitaire Corporate Park, Guru Hargovindji Road,

Chakala, Andheri (E), Mumbai – 400 093

Tel : 022-42254800; Fax : 022-42254880

Email: mbd@arihantcapital.com

Website: www.arihantcapital.com

Contact Persons: Mr. Amol Kshirsagar / Mr. Satish Kumar P



#### REGISTRAR TO THE ISSUE

**Maashitla Securities Private Limited**  
SEBI Registration No.: INR000004370  
451, Krishna Apra Business Square  
Netaji Subash Place, Pitampura  
New Delhi – 110 034

Tel : 011-45121795;

Email : ipo@maashitla.com

Website : www.maashitla.com

Contact Person : Mr. Mukul Agrawal

#### ISSUE PROGRAMME

ISSUE OPENS ON : [●]

ISSUE CLOSES ON: [●]



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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 Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statements”, “Outstanding Litigation and Other Material Developments”, will have the meaning ascribed 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 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, 2018, the Securities Contracts Regulation Act, 1992 (“SCRA”), the Depositories Act and the rules and regulations made thereunder, as applicable.

#### General Terms

| Term   | Description  |
|--|--|
| “Organic Recycling Systems Limited”, “We” or “us” or “our Company” or the “Issuer” or “the Company” or “ORS” or “ORSL” | Unless the context otherwise requires, refers to Organic Recycling Systems Limited, originally incorporated as a private limited company under the provisions of the Companies Act, 1956 subsequently converted into public limited company under the provisions of the Companies Act, 2013 with its registered office at Office No. 1003, 10th Floor, The Affaires Plot No. 9, Sector-17, Sanpada, Navi Mumbai- 400705. and having Corporate Identification Number U40106MH2008PLC186309. |

#### Company Related Terms

| Terms   | Description  |
|---|--|
| Articles / Articles of Association/AOA          | Unless the context otherwise requires, refers to the Articles of Association of Organic Recycling Systems Limited, as amended from time to time.   |
| 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 no. 120 of this Draft Prospectus. |
| Auditors/Statutory Auditors/Peer Review Auditor | The Statutory Auditors of our Company, being M/s Jayesh Sanghrajka & Co LLP (Firm Registration No. 104184W/W100075).   |
| Banker to our Company                           | [●] as disclosed in the section titled “General Information” beginning on page no. 39 of this Draft Prospectus   |
| Board of Directors / Board/ Director(s)         | The Board of Directors of Organic Recycling Systems Limited, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page no. 120 of this Draft Prospectus.                 |
| Companies Act                                   | The Companies Act, 2013 and the amendments thereto including provisions of the Companies Act, 1956, to the extent not repealed.  |
| Company Secretary and Compliance Officer        | The Company Secretary and Compliance Officer of our Company being Ms. Zinal Mukund Shah  |



| <b>Terms</b>   | <b>Description</b>  |
|--|---|
| Chief Financial Officer                                    | The Chief Financial Officer of our Company being Mr. Jigar Gudka.   |
| Depositories   | National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).   |
| Depositories Act   | The Depositories Act, 1996, as amended from time to time.   |
| Director(s) / our Directors                                | Director(s) of our company unless otherwise specified   |
| Equity Shares  | Equity Shares of our Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.  |
| Equity Shareholders  | Persons/Entities holding equity shares of our Company.  |
| Group Companies  | The group companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board in terms of the Materiality Policy and as set forth in “Group Entities” on page no. 136 of this Draft Prospectus.  |
| HUF  | Hindu Undivided Family.   |
| Indian GAAP  | Generally Accepted Accounting Principles in India.  |
| Independent Directors                                      | Independent Directors on the Board, and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer chapter titled “Our Management” beginning on page no. 120 of this Draft Prospectus.   |
| ISIN   | International Securities Identification Number. In this case being INE0MIO01019   |
| Key Managerial Personnel /KMP/<br>Key Managerial Employees | The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled “Our Management” on page no. 120 of this Draft Prospectus.  |
| Materiality Policy   | The policy adopted by our Board on October 4, 2022 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time  |
| MOA / Memorandum /<br>Memorandum of<br>Association         | Memorandum of Association of Organic Recycling Systems Limited.   |
| MD or Managing Director                                    | The Managing Director of our Company, Mr. Sarang Bhand.   |
| Non-Residents  | A person resident outside India, as defined under Foreign Exchange Management Act, 1999 .   |
| NRIs / Non-Resident<br>Indians                             | A person outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Outside India) Regulations, 2000.   |
| 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   |
| Promoter   | The Promoter of our Company being Mr. Sarang Bhand. For further details, please refer to section titled "Our Promoter & Promoter Group" beginning on page no. 132 of this Draft Prospectus.   |
| Promoters Group  | The companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, which is provided in the chapter titled Our Promoters Group. For further details please refer page no. 132 of this Draft Prospectus.   |
| RBI Act  | The Reserve Bank of India Act, 1934 as amended from time to time.   |
| Registered Office  | The Registered of our company which is located at Office No. 1003, 10th Floor, The Affaires Plot No. 9, Sector-17, Sanpada, Navi Mumbai- 400705..   |
| Restated Financial<br>Statements                           | The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities as at August 31, 2022, March 31, 2022, March 31 2021 and March 31, 2020 and the restated statements of profit and loss and the restated cash flows for the period ended August 31, 2022, March 31, 2022, March 31 2021 and March 31, 2020 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 |



| Terms                            | Description  |
|----------------------------------|--|
|                                  | Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.   |
| RoC/Registrar of Companies       | Unless otherwise specified, refers to Registrar of Companies, Mumbai.  |
| 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          | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, including instructions and clarifications issued by SEBI, as amended from time to time. |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions, notifications and clarifications issued by SEBI from time to time  |
| SEBI (LODR) Regulations          | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including instructions and clarifications issued by SEBI, as amended.                |
| SEBI (Takeover) Regulations      | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.  |
| Stock Exchange                   | Unless the context requires otherwise, refers to, the SME Platform of BSE Limited.   |
| Subscriber to MOA                | Initial Subscribers to MOA & AOA being Mr. Sarang Bhand & Mrs. Smita Suhas Bhand   |
| You or Your or Yours             | Prospective Investors in this Issue.   |

#### Issue Related Terms

| Terms  | Description   |
|--|---|
| 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.   |
| 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.  |
| Applicant                                      | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Prospectus.   |
| Application Amount                             | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft 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. | Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.<br>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only. |
| ASBA Account                                   | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid / Application Amount in relation to a Bid / Application by an ASBA 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 Investor/ASBA applicant                   | Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process.   |
| Banker(s) to the Issue/ Public Issue Bank(s).  | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [•]  |



| Terms  | Description   |
|--|---|
| Basis of Allotment   | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled <b>“Issue Procedure”</b> beginning on page no. 259 of this Draft Prospectus.   |
| 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 Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.  |
| Client ID  | Client Identification Number maintained with one of the Depositories in relation to demat account.  |
| Collection Centers   | Centers at which the Designated Intermediaries shall accept the ASBA Forms.   |
| Controlling Branch   | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.  |
| Demographic Details  | The demographic details of the Applicants such as their address, PAN, occupation and bank account details.  |
| Depository Participant   | A Depository Participant as defined under the Depositories Act, 1996.   |
| 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 <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.  |
| Designated Date  | The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.  |
| Designated Stock Exchange  | SME Platform of BSE Limited   |
| DP ID  | Depository Participant’s Identification Number  |
| Draft Prospectus   | Draft Prospectus dated [•] issued in accordance with Section 26 of the Companies Act, 2013  |
| 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 this Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.   |
| SME Platform of BSE Limited  | 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.   |
| FPI / Foreign Portfolio Investor   | A Foreign Portfolio Investor who has been registered pursuant to the Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| First/ Sole Applicant  | The applicant whose name appears first in the Application Form or Revision Form.  |
| General Information Document / GID   | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time.   |
| Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/Initial Public Offering/ IPO | Initial Public Issue of 25,00,200 Equity Shares of face value of Rs.10/- each fully paid up of our Company for cash at a price of Rs.200/- per Equity Share (including a premium of Rs.190/- per Equity Share) aggregating Rs 5,000.40 Lakhs.   |
| Issue Agreement  | The agreement dated October 19, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.   |
| Issue Closing Date   | The date on which Issue closes for subscription.  |
| Issue Opening Date   | The date on which Issue opens for subscription.   |
| Issue Period   | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.  |





| <b>Terms</b>                                 | <b>Description</b>  |
|--|---|
| Issue Price                                  | Rs. 200/- per Equity Share, including premium of Rs. 190/- per Equity Share   |
| Issue Proceeds                               | Proceeds from the Issue that will be available to our Company, being Rs. 5,000.40 Lakhs.  |
| LM / Lead Manager                            | Lead Manager to the Issue, in this case being Arihant Capital Markets Limited.  |
| Listing Agreement                            | The equity listing agreement to be signed between our Company and the BSE Limited.  |
| Market Maker                                 | Market Makers appointed by our Company from time to time viz. Arihant Capital Markets Limited   |
| Market Making Agreement                      | The Agreement dated March 30, 2023 entered into between the Lead Manager, Market Maker and our Company.   |
| Market Maker Reservation                     | The Reserved Portion of 1,30,200 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 200/- per Equity Share aggregating Rs. 260.40 Lakh for the Market Maker in this Issue.  |
| Mutual Fund(s)                               | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.   |
| Net Issue/ Offer                             | The Issue (excluding the Market Maker Reservation Portion) of 23,70,000 Equity Shares of Rs. 10 /- each of our Company for cash at a price of Rs. 200/- per Equity Share (including share premium of Rs. 190/-) per equity share aggregating to Rs. 4,740.00 Lakh.  |
| Net Proceeds                                 | The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page no. 58 of this Draft Prospectus.  |
| Non-Institutional Applicants                 | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs.2,00,000.   |
| OCB / Overseas Corporate Body                | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations OCBs are not allowed to invest in this Issue.   |
| Payment through electronic transfer of funds | Payment through ECS / NECS, Direct Credit, RTGS or NEFT, NACH, as applicable.   |
| Public Issue Account                         | Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.  |
| Prospectus                                   | The Prospectus, which is filed with the RoC containing in accordance with the provisions of Section 26 of the Companies Act, 2013, inter alia, the Issue opening and closing dates and other information.   |
| Qualified Institutional Buyers / QIBs        | As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 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 Rs. 2,500 Lakh, pension fund with minimum corpus of Rs. 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. |
| 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 [●].   |
| Refunds through electronic transfer of       | Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable  |



| Terms                             | Description  |
|-----------------------------------|--|
| funds                             |  |
| Registrar/ Registrar to the Offer | Registrar to the Offer being Maashitla Securities Private Limited. For more information please refer “General Information” on page no. 39 of this Draft Prospectus.  |
| Registrar Agreement               | The agreement dated October 19, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.  |
| Registered Broker                 | Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub Syndicate Members) who hold valid membership either NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.   |
| Regulations                       | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.   |
| Retail Individual Investors       | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.  |
| SCSB                              | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time. |
| Sponsor Bank                      | Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI. In this case [●].  |
| Transaction Registration Slip/TRS | The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.  |
| Underwriter                       | Underwriter to this Issue is Arihant Capital Markets Limited   |
| Underwriting Agreement            | The agreement dated March 30, 2023 entered into between the underwriter and our Company.   |
| Working Days                      | “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in city are open for business and in case of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.  |

### Technical and Industry Related Terms

| Term       | Description                                   |
|------------|---|
| BOOT       | Build Own Operate and Transfer                |
| CT         | Community Toilets                             |
| D-BOOT     | Design Build Own Operate and Transfer         |
| EPC        | Engineering Procurement and Construction      |
| EPR        | Extended Producer Responsibility              |
| IEC        | Information, Education and Communication      |
| IHHLS      | Individual Household Latrine                  |
| LIPH-AD    | Liquid Phase Anaerobic Digestion              |
| MERC       | Maharashtra Electricity Regulatory Commission |
| MLP        | Multi Layered Plastics                        |
| MNRE       | Ministry of New and Renewable Energy          |
| MRF        | Material Recovery Facility                    |
| MSW        | Municipal Solid Waste                         |
| NITI Aayog | National Institution for Transforming India   |
| NSSO       | National Sample Survey Office                 |
| OFMSW      | Organic Fraction of Municipal Solid Waste     |
| PCC        | Pollution Control Committees                  |



| Term  | Description                   |
|-------|-------------------------------|
| PPP   | Public Private Partnership    |
| PT    | Public Toilets                |
| RDF   | Refuse Derived Fuel           |
| SBM-U | Swachh Bharat Mission (Urban) |
| SPCB  | State Pollution Control Board |
| SPV   | Special Purpose Vehicle       |
| SWM   | Solid waste management        |
| TPD   | Tonnes per day                |
| ULB   | Urban Local Body              |

#### Conventional Terms / General Terms / Abbreviations

| Abbreviation               | Full Form   |
|----------------------------|---|
| A/c                        | Account   |
| ACS                        | Associate Company Secretary   |
| AGM                        | Annual General Meeting  |
| AS                         | Accounting Standards as issued by the Institute of Chartered Accountants of India   |
| ASBA                       | Applications Supported by Blocked Amount  |
| AY                         | Assessment Year   |
| BSE                        | BSE Limited (formerly known as Bombay Stock Exchange Limited)   |
| CAGR                       | Compounded Annual Growth Rate   |
| CDSL                       | Central Depository Services (India) Limited   |
| CFO                        | Chief Financial Officer   |
| CIN                        | Corporate Identification Number   |
| CIT                        | Commissioner of Income Tax  |
| DIN                        | Director Identification Number  |
| DP                         | Depository Participant  |
| ECS                        | Electronic Clearing System  |
| EGM                        | Extraordinary General Meeting   |
| EPS                        | Earnings Per Share  |
| FEMA                       | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under   |
| FII's                      | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FIPB                       | Foreign Investment Promotion Board  |
| FY / Fiscal/Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated   |
| GDP                        | Gross Domestic Product  |
| GoI/Government             | Government of India   |
| HUF                        | Hindu Undivided Family  |
| I.T. Act                   | Income Tax Act, 1961, as amended from time to time  |
| ICAI                       | The Institute of Chartered Accountants of India   |
| ICSI                       | Institute of Company Secretaries of India   |
| MAPIN                      | Market Participants and Investors 'Integrated Database  |
| 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   |
| NA                         | Not Applicable  |
| NAV                        | Net Asset Value   |
| NGT                        | National Green Tribunal   |
| NPV                        | Net Present Value   |
| NR / Non-resident          | A person resident outside India, as defined under the FEMA and includes a Non-resident Indian   |
| NRE Account                | Non-Resident External Account established and operated in accordance with the FEMA  |



|                            |   |
|----------------------------|---|
| NRIs                       | Non-Resident Indians  |
| NRO Account                | Non-Resident Ordinary Account established and operated in accordance with the FEMA  |
| NSDL                       | National Securities Depository Limited  |
| OCB                        | Overseas Corporate Bodies   |
| p.a.                       | per annum   |
| P/E Ratio                  | Price/Earnings Ratio  |
| PAC                        | Persons Acting in Concert   |
| PAN                        | Permanent Account Number  |
| PAT                        | Profit After Tax  |
| PMP                        | Project Management Professional   |
| PMI                        | Project Management Institute  |
| RBI                        | The Reserve Bank of India   |
| ROE                        | Return on Equity  |
| RONW                       | Return on Net Worth   |
| Bn                         | Billion   |
| Rs.                        | Rupees, the official currency of the Republic of India  |
| RTGS                       | Real Time Gross Settlement  |
| RERA                       | Real Estate Regulatory Authority  |
| SCRA                       | Securities Contract (Regulation) Act, 1956, as amended from time to time  |
| SCRR                       | Securities Contracts (Regulation) Rules, 1957, as amended from time to time.  |
| STT                        | Securities Transaction Tax  |
| US/United States           | United States of America  |
| USD/ US\$/ \$              | United States Dollar, the official currency of the United States of America   |
| UPI                        | Unified payments interface, which is an instant payment mechanism, developed by NPCI  |
| UPI Circulars              | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI ID                     | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).   |
| UPI Mandate Request        | The request initiated by the Sponsor Bank and received by an RII using the UPI Mechanism to authorise blocking of funds on the UPI mobile or other application equivalent to the Bid Amount and subsequent debit of funds in case of Allotment  |
| UPI Mechanism              | The bidding mechanism that may be used by a RIB to make an application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018   |
| UPI PIN                    | Password to authenticate UPI transaction  |
| w.e.f.                     | With effect from  |
| VCF / Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.  |

Notwithstanding the foregoing:

1. In the section titled "Main Provisions of the Articles of Association" beginning on page no. 278 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled "Summary of Offer Documents" and "Our Business" beginning on page no. 11 and 86 respectively, of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled "Risk Factors" beginning on page no. 17 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled "Statement of Tax Benefits" beginning on page no. 68 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled, Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no. 210 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data included in this Draft 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 Review Auditors, set out in the section titled “Financial Statements, as Restated” beginning on page no. 142 this Draft 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 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 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 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 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 no. 142 of this Draft Prospectus.

### Currency and units of presentation

In this Draft Prospectus, references to “Rupees” or –RS or –Rs. or - ₹- 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 / 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 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 Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD LOOKING STATEMENTS

*All statements contained in the Draft 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 Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft 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:*

- 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 and areas in which we have operations;
- 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;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions, restructurings and increased competition;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favorable 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;
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved;
- Impact of covid-19 on our business and operations; and
- Global distress due to pandemic, war or by any other reason

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 no. 17, 86 and 210, respectively of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements reflect views as of the date of the Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its 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 requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).



## SECTION II – SUMMARY OF OFFER DOCUMENT

Unless otherwise stated or the context otherwise requires, references in this section to “we”, “our” or “us” refers to our Company. This section should be read in conjunction with the sections titled “Risk Factors”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 17, 76 and 210 of this Draft Prospectus, respectively, as well as the Restated Financial Statements included in “Financial Information” beginning on page no. 142 of this Draft Prospectus

### A. SUMMARY OF OUR PRIMARY BUSINESS AND THE INDUSTRY IN WHICH WE OPERATE

Our Company was incorporated in the year 2008, under the name Organic Recycling Systems Private Limited under the provisions of the Companies Act, 1956 and was later converted into a public company in the year 2022. Our company is engaged in the solutions across waste types and across the value chain. Our Company has been providing sustainable waste management solutions in India since 2008. Incorporated by technocrats our focus primarily has been on developing robust, cost effective & environment friendly technologies that are simple to operate.

(For further details please see the chapter titles “Our Industry” beginning on page no. 76 of this Draft Prospectus and “Our Business” beginning on page no. 86 of this Draft Prospectus and for details in regard to the risks involved in the Business of the Company and risk in relation to the Issue, please refer to chapter titled “Risk factors” beginning on page no. 17 of this Draft Prospectus.)

### B. PROMOTERS OF THE COMPANY

Sarang Suhas Bhand is the promoter of our company.

(For further details, please refer chapter “Our Promoters and Promoters Group” beginning on page no. 132 of this Draft Prospectus.)

### C. SIZE OF THE ISSUE

Initial Public issue of 25,00,200 equity shares of face value of ₹ 10/- each (“Equity Shares”) of Organic Recycling Systems Limited (“The Company” or “The Issuer”) for cash at a price of ₹ 200/- per Equity Share (“The Issue Price”) including a premium of Rs. 190/- per Equity Share, aggregating to ₹ 50,00,40,000/- (“The Issue”), of which 1,30,200 Equity Shares of face value of ₹10/- each for cash at a price of ₹200/- per Equity Share, aggregating to ₹2,60,40,000 will be reserved for subscriptions by the Market Maker to the issue (The “Market Maker Reservation Portion”). The issue less market maker reservation portion i.e., Issue of 23,70,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹200/- per Equity share, aggregating to ₹47,40,00,000 is here-in after referred to as the “Net Issue”. The issue and the net issue will constitute 32.47 % and 30.78% respectively of the post issue paid up Equity share capital of the company.

### D. OBJECT OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE Limited:

| Particulars                 | Estimated Amount<br>(Rs. lakhs) | % of gross IPO<br>proceeds | % of net IPO<br>proceeds |
|-----------------------------|---------------------------------|----------------------------|--------------------------|
| Repayment of Debt           | 3750.40                         | 75.00%                     | [●]                      |
| General Corporate Purpose # | [●]                             | [●]                        | [●]                      |
| Issue Expenses              | [●]                             | [●]                        | [●]                      |
| Total                       | 5,000.40                        | 100.00%                    | [●]                      |

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Shares of our company in India and will further enable us to avail future growth opportunities.

(For further details, please refer chapter “Objects of the Issue” beginning on page no. 58 of this Draft Prospectus.)



## E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTERS GROUP

Our Promoter and Promoter Group are collectively holding 15,67,006 Equity shares of our Company aggregating to 30.14% of the pre-issue paid up share capital of our Company. Following are the details of shareholding of Promoters and Promoter Group:

| Particulars               | Pre-Issue        |                        |
|---------------------------|------------------|------------------------|
|                           | Number of Shares | Percentage (%) holding |
| <b>Promoters (A)</b>      |                  |                        |
| Sarang Suhas Bhand        | 15,67,006        | 30.14%                 |
| <b>Sub Total (A)</b>      | <b>15,67,006</b> | <b>30.14%</b>          |
| <b>Promoter Group (B)</b> | -                | -                      |
| <b>Sub Total (B)</b>      | -                | -                      |
| <b>Total (A) + (B)</b>    | <b>15,67,006</b> | <b>30.14%</b>          |

## F. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated consolidated financial statements for the financial years ended on March 31, 2023, 2022 and 2021:-

(Rs. in lakhs)

| Particulars                               | March 31, 2023 | March 31, 2022 | March 31, 2021 |  |
|---|----------------|----------------|----------------|--|
| Share Capital                             | 535.67         | 45.78          | 45.78          |  |
| Net Worth                                 | 2,550.07       | 808.86         | 1,343.88       |  |
| Total Revenue                             | 2,534.10       | 1,756.67       | 1,578.18       |  |
| Profit after tax                          | (365.38)       | (535.03)       | (449.37)       |  |
| Earnings per Share (in ₹)                 |                |                |                |  |
| - Basic                                   | 7.83           | (12.93)        | (10.86)        |  |
| - Diluted                                 | 7.83           | (12.09)        | (10.15)        |  |
| Net Asset Value per Equity Share (in ₹)   | 237.42         | 5,882.61       | 9,773.71       |  |
| Total Borrowings (Short Term + Long Term) | 6,981.41       | 5,418.38       | 5,449.89       |  |

(For further details, please refer chapter “**Capital Structure**” and “**Financial statement as Restated**” beginning on page no. 47 and 142 respectively of this Draft Prospectus.)

## G. AUDITOR QUALIFICATIONS

There are no audit qualifications for the financial years ended March 31, 2023, March 31, 2022 and March 31 2021 which would require adjustments in the Restated Financial Statements of the Company.

(For further details, please refer chapter “**Financial statement as Restated**” beginning on page no. 142 of this Draft Prospectus.)





## H. SUMMARY OF OUTSTANDING LITIGATIONS:

Our Company, Promoter and Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

### Cases against our Company

| Nature of cases                   | No. of outstanding cases | Amount involved   |
|-----------------------------------|--------------------------|---|
| Criminal Complaints               | -                        | -   |
| Statutory/ Regulatory Authorities | 4                        | The amount in respect to the 4 notices received is unascertainable. |
| Taxation Matters                  | 3                        | Rs. 721.94 lakhs  |
| Other Litigation                  | 1                        | Rs. 1,140 lakhs   |

### Cases filed by our Company

| Nature of cases                   | No. of outstanding cases | Amount involved    |
|-----------------------------------|--------------------------|--------------------|
| Criminal Complaints               | -                        | -                  |
| Statutory/ Regulatory Authorities | -                        | -                  |
| Taxation Matters                  | -                        | -                  |
| Other Litigation                  | 2                        | Rs. 1,861.00 lakhs |

### Cases filed against our Directors

| Nature of cases                   | No. of outstanding cases | Amount involved   |
|-----------------------------------|--------------------------|---|
| Criminal Complaints               | -                        | -   |
| Statutory/ Regulatory Authorities | 2                        | The amount in respect to the 2 notices received is unascertainable. |
| Taxation Matters                  | 1                        | Rs. 0.09 lakhs  |
| Other Litigation                  | -                        | -   |

### Cases against our Promoters

| Nature of cases                   | No. of outstanding cases | Amount involved   |
|-----------------------------------|--------------------------|---|
| Criminal Complaints               | -                        | -   |
| Statutory/ Regulatory Authorities | 8                        | The amount in respect to the 8 notices received is unascertainable. |
| Taxation Matters                  | 5                        | Rs. 54.31 lakhs   |
| Other Litigation                  | -                        | -   |

### Cases against our Promoter Group

| Nature of cases                   | No. of outstanding cases | Amount involved  |
|-----------------------------------|--------------------------|--|
| Criminal Complaints               | -                        | -  |
| Statutory/ Regulatory Authorities | 1                        | The amount in respect to the notice received is unascertainable. |
| Taxation Matters                  | -                        | -  |
| Other Litigation                  | 1                        | The amount involved in this case is unascertainable.             |

### Cases against our Group companies

| Nature of cases                   | No. of outstanding cases | Amount involved |
|-----------------------------------|--------------------------|-----------------|
| Criminal Complaints               | -                        | -               |
| Statutory/ Regulatory Authorities | -                        | -               |
| Taxation Matters                  | 3                        | Rs. 0.32 lakhs  |
| Other Litigation                  | -                        | -               |

### Cases against our Subsidiary

| Nature of cases                   | No. of outstanding cases | Amount involved   |
|-----------------------------------|--------------------------|---|
| Criminal Complaints               | -                        | -   |
| Statutory/ Regulatory Authorities | 4                        | The amount in respect to the 4 notices received is unascertainable. |
| Taxation Matters                  | 8                        | Rs. 428.49 lakhs  |
| Other Litigation                  | 1                        | Rs. 71.99 lakhs   |



### Cases by our Subsidiary

| Nature of cases                   | No. of outstanding cases | Amount involved  |
|-----------------------------------|--------------------------|------------------|
| Criminal Complaints               | -                        | -                |
| Statutory/ Regulatory Authorities | -                        | -                |
| Taxation Matters                  | -                        | -                |
| Other Litigation                  | 1                        | Rs. 946.36 lakhs |

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Prospectus.

(For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” beginning on page no. 216 of this Draft Prospectus)

### I. RISK FACTORS

Please see the Chapter titled “**Risk Factors**” beginning on page no. 17 of this Draft Prospectus.

### J. SUMMARY OF CONTINGENT LIABILITIES

As per restated financial statement, the company has contingent liabilities towards Banks & Government Authorities to the tune of ₹ 1,490.98 lakhs as on March 31, 2023.

(For further details, please refer chapter “**Financial statement as Restated**” beginning on page no. 142 of this Draft Prospectus.)

### K. SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary detail of the related party transactions entered by the Company for the financial year ended on March 31, 2023; March 31 2022 and March 31, 2021:

| Name               | Relationship         | Nature of Transaction                                       | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--------------------|----------------------|---|----------------|----------------|----------------|
| Sarang Bhand       | Director             | Director Remuneration                                       | 32.87          | 26.33          | 25.70          |
|                    |                      | Director Remuneration capitalised as Technology development | 10.00          | 24.00          | 24.00          |
|                    |                      | Consultancy Charges   | 23.33          | -              | -              |
|                    |                      | Loan received   | 9.17           |                |                |
|                    |                      | Loan Repayment  | -              | -              | -              |
| Yashas Bhand       | Director             | Director Remuneration                                       | -              | -              | -              |
|                    |                      | Director Remuneration capitalised as Technology development | 18.00          | 12.00          | 5.00           |
| Janki Sarang Bhand | Director             | Director sitting fees                                       | 1.20           | -              | -              |
| Suhas Bhand        | Relative of Director | Salary capitalised as Technology development                | 15.00          | 30.00          | 30.00          |
|                    |                      | Consultancy Charges   | 15.00          |                |                |

(₹ in lakhs)



|  |   |                             |          |        |        |
|--|---|-----------------------------|----------|--------|--------|
|  |   | Salary                      |          |        |        |
| Five Elements Environment Ventures Private Limited   | Entities in which KMP have significant influence                          | Trade Deposit Given         |          | -      | -      |
|  |   | Loan Given                  | 4.96     |        |        |
|  |   | Trade Deposit Repaid        |          | -      | -      |
| Blue Planet Yasasu Solutions Private Limited         | Entities in which Key Management Personnel exercise significant influence | Purchase of material        | 55.58    | 166.75 | 332.56 |
|  |   | Security Deposit repaid     | -        | -      | 1.50   |
|  |   | Trade Advance received      | -        | 0.89   | 34.32  |
| Blue Planet Palakkad Waste Solutions Private Limited | Associate   | Investment in Equity Shares |          | -      | 0.26   |
|  |   | Revenue from operation      | 1,000.00 | 328.71 | -      |
| Blue Planet Kannur Waste Solutions Private Limited   | Associate   | Investment in Equity Shares | -        | -      | 0.26   |
| Jigar Gudka  | Chief Financial Officer   | Salary                      | 24.53    |        |        |
| Zinal Mukund Shah                                    | Company Secretary   | Salary                      | 2.13     | 0.35   | -      |

(For further details, please refer to Note [●] – Related Party Disclosures of chapter titled “Financial Information of the Company” beginning on page no. 142 of this Draft Prospectus.)

#### L. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the Promoters, members of Promoter Groups, the Directors of the Company which is a Promoter of the Issuer, the Directors of our Company and their relatives have 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 period of six months immediately preceding the date of filing of this Draft Prospectus.

#### M. WEIGHTED AVERAGE PRICE OF THE EQUITY SHARES ACQUIRED BY THE PROMOTER IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS:

During the last one year preceding the date of this Draft Prospectus, no shares were acquired by the Promoter of our Company.

#### N. AVERAGE COST OF ACQUISITION OF SHARES

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

| Name of the Promoters | No. of Equity Shares held | Average cost of Acquisition (In ₹) |
|-----------------------|---------------------------|------------------------------------|
| Sarang Bhand          | 15,67,006                 | 0.03                               |

#### O. DETAILS OF PRE – IPO PLACEMENT

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

#### P. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH



Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

| Date of allotment/ transaction | Number of Equity shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) | Reason for/ Nature of allotment   | Allottees  | Benefits to the Company            |
|--------------------------------|----------------------------------|---------------------------------|----------------------------------|---|--|------------------------------------|
| September 20, 2022             | 41,25,000                        | 10                              | -                                | Issue of 300 bonus shares for every 1 Equity Share held                               | Existing Shareholders as on September 8, 2022                                    | No Benefits accrued to the Company |
| September 21, 2022             | 1,94,700                         | 10                              | 10                               | Conversion of Class-2 and Class-3 Optionally Convertible Preference Shares (OCPS)     | Existing Class-2 and Class-3 Optionally Convertible Preference Shares (OCPS)     | No Benefits accrued to the Company |
| October 3, 2022                | 8,65,625                         | 10                              | 160                              | Conversion of 0.01% Compulsory Convertible Debentures into Equity Shares <sup>^</sup> | Existing 0.01% Compulsory Convertible Debentures into Equity Shares <sup>^</sup> | No Benefits accrued to the Company |

#### **Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our company has not undertaken any split or consolidation or subdivision of Equity Shares of the Company since incorporation.

#### **R. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Draft Prospectus, our Company has not availed any exemption from SEBI from complying with any provisions of securities laws.



## SECTION III - RISK FACTORS

*This section describes the risks that we currently believe may materially affect our business and operations. An investment in Equity Shares involves a high degree of risk. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Draft Prospectus and the other information contained in this Draft Prospectus, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 86, 76 and 210, respectively, as well as other financial and statistical information contained in this Draft Prospectus. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Prospectus before making any investment decision relating to our Equity Shares. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and could cause the market price of our Equity Shares to decline or fall significantly and you may lose all or part of your investment. This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. See “Forward-Looking Statements” beginning on page 10.*

*The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could subsequently turn out to be material. Some risks may have an impact which is qualitative though not quantitative. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer, including the merits and risks involved. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Issue.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

### Internal risk factors

#### 1. *There are outstanding legal proceedings involving the Company, our Subsidiaries, our Directors and our Promoter.*

There are outstanding legal proceedings involving the Company, its Subsidiaries, its Directors, its Promoters and Group Companies. These proceedings are either currently being, or have already been adjudicated by various courts, tribunals and other authorities. The following table sets out brief details of such outstanding proceedings:

| Nature of Cases                           | Number of Cases | (Approximate) Total amount involved  |
|---|-----------------|--|
| <b>Proceedings involving the Company</b>  |                 |  |
| Statutory / Regulatory authorities        | 4               | The amount in respect to the 4 notices received is unascertainable.              |
| Taxation                                  | 3               | Rs. 721.94 lakhs   |
| Others - against our Company              | 1               | Rs. 1,140 lakhs  |
| Others - by our Company                   | 2               | Rs. 1,861.00 lakhs (for one case). For other case, the amount is unascertainable |
| <b>Proceedings involving Subsidiaries</b> |                 |  |
| Statutory / Regulatory authorities        | 4               | The amount in respect to the 4 notices received is unascertainable.              |
| Taxation                                  | 8               | Rs. 428.49 lakhs   |
| Others - against the subsidiary           | 1               | Rs. 71.99 lakhs  |
| Others - by the subsidiary                | 1               | Rs. 946.36 lakhs   |
| <b>Proceedings involving Directors</b>    |                 |  |
| Statutory / Regulatory authorities        | 2               | The amount in respect to the 2 notices received is unascertainable.              |
| Taxation                                  | 1               | Rs. 0.09 lakhs   |



| <b>Proceedings involving Promoter and Promoter group</b> |   |   |
|--|---|---|
| Statutory / Regulatory authorities                       | 9 | The amount in respect to the notices received is unascertainable. |
| Taxation   | 5 | Rs. 54.31 lakhs   |
| Others   | 1 | The amount involved in this case is unascertainable.              |
| <b>Proceedings involving Group Companies</b>             |   |   |
| Taxation   | 3 | Rs. 0.32 lakhs  |

There can be no assurance that any of these matters will be settled in our favour or in favour of our Subsidiaries, our Directors, our Promoter or our Group Companies or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have a material adverse effect on the Company, our Subsidiaries, our Directors our Promoter and/or our Group Companies, as well as on our business, prospects, financial condition and results of operations and that of the Group Companies of our Promoter.

For further details, please see the section “*Outstanding Litigation and Material Developments*” beginning on page No. 216 of this Draft Prospectus.

- 2. Our business involves government authorities and agencies as they are entrusted with collection, treatment of disposal of Municipal Solid Waste. We are exposed to risks of similar government related business manifested in the form of delay in approvals, delayed payments, time and cost overruns and consequential disputes and litigations.***

Our business revolves around government authorities and agencies as they are the primary agencies entrusted with collection, treatment of disposal of Municipal Solid Waste. As a general trait in such businesses, we are exposed the risks of change in scope of work, delay in basic approvals and approvals of deviation, allotment of land, delayed or rejected payments, contractual disputes and litigations. Further, as most of the municipal corporations are politically elected, any change in political regime contributes to additional risk of delays and change in agreed terms of contracts. Besides, we are also exposed to potential disputes and litigations with our consortium partner, lenders or investors which accentuate due to such delays. MSW being a sensitive ecological matter, our projects are also delayed due to Public Interest Litigations and other injunctions. All these aspects collectively hamper the pace of execution of projects, results in time and cost overruns, locking up of our capital in slow moving / stalled projects which compels us to take redressal measures through appeals, Arbitration or litigations. While we take care to reduce the risks on foregoing accounts, we can not assure that our efforts would be able to completely eliminate these risks in our existing and future projects. In case these risks fructify and linger on for unreasonable periods or involve significant sums of money, our financial performance and business could be adversely affected

- 3. We are dependent on municipal authorities for a substantial proportion of our business and revenues. Many Municipalities have been struggling to fund various solid waste management projects from their own revenue receipts and are highly dependent on state/central grants/budget allocation. Any decline in the budgetary allocation towards MSW projects will have a material adverse impact on our business, financial condition, and results of operations.***

Our business and revenues are substantially dependent on projects awarded by municipal authorities. We expect contracts awarded by municipal authorities will continue to account for a substantial proportion of our business.

Municipal Corporations are responsible for developing action plans for MSW management and they need an adequate and recurrent cash flows for execution of MSW projects. Many Municipalities have been struggling to fund various solid waste management projects from their own revenue receipts. Any adverse changes in municipal policies, expenditures or fund allocations may lead to our agreements being restructured or renegotiated or terminated and could materially and adversely affect business, financial condition and results of operation.

- 4. MSW projects are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new MSW projects are not awarded to us.***

MSW projects are typically awarded to us following a competitive bidding process and satisfaction of prescribed technical and financial pre-qualification criteria. While track record, experience of project execution, adequate infrastructure service quality, health and safety records, qualified and experienced personnel including technical



staff, and sufficiency of financial resources are important considerations in awarding contracts, there can be no assurance that we would be able to meet such technical and financial qualification criteria, whether independently or together with other joint venture partners. Further, once prospective bidders satisfy the prequalification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. We generally incur significant costs in the preparation and submission of bids, which are onetime non-reimbursable costs. We cannot assure you that we would be bidding for projects, where we are pre-qualified to submit a bid, or that our bids, when submitted or if already submitted, would result in projects being awarded to us.

5. ***Our Directors, our Company and our subsidiary Company have received notices from various Regulatory Authorities in the matter of investments into our subsidiaries by West Coast Ventures (India) Private Limited (WCV) an associate company of Maitreya Services Limited and Maitreya Plotters and Structures Private Limited (companies that are barred by SEBI from raising money from the capital market). The notices are related to collecting information and enquiring into the transactions between the Company and WCV. Our Company and SPV subsidiary accepted the equity investments from WCV in ordinary course of business, and although as of date, no action has been initiated by the regulatory authorities in this matter against our Company or our Directors, there is no assurance that our Company or our Directors may not be implicated in the process in which case time, efforts and legal expense may be involved in clearing our Company's and Directors' names***

In 2009, ORS was declared the successful tenderer for setting-up a waste management facility by Bruhat Bengaluru Mahanagar Palike ("BBMP). A special purpose vehicle, Organic Waste (India) Private Limited ("Bangalore SPV"), was set up to execute the project. In November 2014, WCV expressed its desire to invest Rs. 43 crores in the Bangalore project and a proposed project in Pune. Considering the inclination of WCV to invest in the Company / its subsidiary's projects and relying on its representations, our Company agreed in good faith and in the ordinary course of business to accept the investments for its business needs. Total net investments to the tune of Rs. 22.50 crores were received by Organic Recycling Systems (Rs. 19.75 Crores) and OWIPL (Rs. 2.75 crores) from West Coast Ventures (India) Private Limited (Rs. 19 crores) and associate companies (Rs. 3.50 crores). It later transpired that these companies were debarred companies by SEBI. Further, as per the terms agreed with WCV under MOU dated November 10, 2014, total funds to be brought in by WCV were to be appropriated towards equity share capital and since the agreed sum of amount as per the decided time frame was not provided by WCV, ORS sought damages through Arbitration proceedings. The Arbitration process resulted in awarding damages to the tune of Rs. 33.90 crores to be recovered by the Company from WCV. The award directs WCV to pay Rs. 11.40 crores (after appropriation of Rs. 22.50 crores) with interest at the rate of 8% per annum with effect from March 01, 2016. WCV approached NCLT to claim back the amounts as 'financial creditor'. The NCLAT order confirms that WCV is not a financial creditor and dismissed WCV's contention. The investigations against WCV and its associates, led to receipt of notices from regulators to our Company, Promoter / directors and subsidiary companies with regard to investments received from WCV. We have received notices from SFIO, MCA as well as EOW to be present and to file our replies on many occasions and these have been duly attended by us and our promoter / directors. One of the matters being investigated was whether our SPVs have been misused by the debarred companies for diversion of alleged illegal funds. We have submitted to the concerned agencies/authorities that the funds collected by our Company / subsidiary towards the equity share capital, were genuinely deployed for respective projects' capital expenditure and that the non-receipt of committed balance equity investments from the said entities led to non-completion and eventual abandonment of the projects, causing huge loss to us.

Although there is no liability on the Company to refund the amount received and on the contrary, Company holds an Arbitration award dated January 06, 2020 to claim Rs. 11.40 crores from WCV along with interest thereon from March 01, 2016. However, such decrees and awards are limited in scope and do not grant us any immunity from the ongoing investigations. The EoW and SFIO notices were received in 2018 and as of date no action has been initiated against us. A notice dated November 14, 2022 was received by our Company /subsidiaries / Promoters from EOW Wardha seeking similar information in relation to WCV investments and the same have been duly replied. Notice dated August 16,2022 from RoC has been received and our directors/ promoters have furnished the information sought . There is no assurance that our Company or Directors may not be implicated in this process and if so, it may involve time, efforts and legal expense to defend and eventually clear our names.

For further details, please see the section "Outstanding Litigation and Material Developments" beginning on page No. 216 of this Draft Prospectus.

6. ***There is a litigation against our material subsidiary SBESPL for a financial claim. Currently the matter is in appeal. If the final order is decided against us, it may lead to a financial loss to us.***



M/s Mahalaxmi Electromech filed a claim on 20.05.2015 (case no. 124/2015) of Rs.7,199,049/- (INR 4,446,800/- plus interest INR 2,752,249/-) before the Micro, Small and Medium Enterprises Council (MSME) Pune. Thereafter, the Hon'ble Facilitation Council heard the matter and ordered in favor of the Petitioner. It directed our Subsidiary SBESPL to pay an amount of INR.41,61,955. The Award was challenged before the District Court, Pune. The Learned District Judge has upheld the contentions of SBESPL and has passed a detailed order, prima facie holding that since Mahalakshmi was not registered under MSME Act, it could not insist on pre-deposit. Mahalaxmi Electromech, has challenged the Order of the Learned District Judge by filing a writ petition before the Hon'ble Bombay High Court. The Proceedings before the learned District Judge have not been stayed nor is the Order of the Learned District Judge set aside. SBESPL would respond in the matter as and when a notice is received in this regard.

There is no guarantee that the final orders will be in our favour, in which case SBESPL may have to pay the aforementioned amount along with further interest / damages to Mahalaxmi Electromech and will result in financial losses to the Subsidiary and to our Company.

For further details, please see the section “*Outstanding Litigation and Material Developments*” beginning on page 216 of this Draft Prospectus.

**7. Our Company has incurred losses in the previous years.**

Our Company has incurred net losses for reported financial periods. FY 2020-21 and FY 2021-22 were adversely affected by COVID-19 pandemic and underutilization of capacity. While we are hopeful of generating sufficient revenues in future, there can be no assurance that we will be successful in this endeavor and will turn profitable owing to changing market dynamics, regulatory changes, financial condition of our clients and other factors beyond our control. For further details, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 210.

**8. We have had negative cash flows in the past and may continue to have negative cash flows in the future.**

The following table sets forth our restated consolidated cash flows for the periods indicated:

(in ₹ lakhs)

| Particulars  | Fiscal 2023  | Fiscal 2022 | Fiscal 2021 |
|--|--|-------------|-------------|
|  | Net cash generated from / (used in) operating activities | (2,370.47)  | 783.98      |
| Net cash generated from / (used in) investing activities | (385.98)   | (667.77)    | (350.00)    |
| Net cash generated from / (used in) financing activities | 2,752.45   | (184.47)    | 443.76      |

Our Company has incurred negative cash flows from operating activities for the Fiscal year ended 31, March 2023. We cannot assure you that our net cash flows will be positive in the future.

**9. We have made certain delayed payments of the principal and interest component on our borrowings / loans due to which there is high probability that such instances might re-occur.**

For the overdraft facility that the Company had used, there were several delays in paying interest to Standard Chartered Bank. Similarly, regarding the business loan we obtained from Bajaj Finance, there have been several instances where we have delayed the payment of interest component. We have also defaulted on various instances to pay the principal and interest that was due on time for the term loans that SBESPL obtained from Bank of Baroda. Though this delayed principal and interest payments to both the lenders has been made within a few days, there is no assurance or guarantee that we will be able to continually make such payments in time and we cannot guarantee that similar situations won't occur in the future, and that this will not expose us to further defaults. In such event it may further expose us to litigation by our lenders and other material adverse consequences for our business.

**10. If we are unable to protect our trademark/patent beyond the expiry period, others may be able to use our**





*trademarks, patent and tradenames to compete more effectively.*

We have obtained renewals for our Trademarks “DRYAD and “GREENDEVOUR” for a further period of ten years from 7 July 2020 and 24 September 2020 respectively. We have been granted a patent on our indigenously developed “Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein” for a period of 20 years from 7 June 2014. We have also been granted patent for the equipment to be used in the “Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein” for a period of 20 years from 7 June 2014. We cannot assure you that we will be able to obtain the renewal for the same in a timely manner or obtain it at all. As a result, we may be unable to prevent the use of these names or variations thereof by any other party or ensure that we will continue to have a right to use it. We further cannot assure you that third parties will not infringe upon our trademark, logo and/or trade name in a manner that may have a material adverse effect on our business prospects, reputation and goodwill.

- 11. *Our actual cost in executing an MSW contract may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses, which may have an adverse effect on our business, financial condition, results of operations, and prospects.***

Under the terms and conditions of most of our MSW contracts, we have escalation provisions in the cost estimates including materials, provisions for cost escalation due to increase or decrease in rates and price of labour, equipment, and other material inputs at the time of entering into the contract. However, some of our current ongoing contracts do not have any escalation clauses to cover any increase in the cost of power & fuel, material, labour and other inputs. Further, we may, in the future enter into contracts which may not contain price escalation clauses covering increase in the cost of fuel, labour and other inputs. Accordingly, our actual expense in executing the contract may vary substantially from the assumptions underlying our bid for several reasons, including, but not limited to unanticipated increases in the cost of fuel, material labour or other inputs, unforeseen construction conditions, delay in transfer of land by the government or obtaining rights of way, our inability to obtain requisite environmental and other approvals, permits and clearances resulting in delays and increased costs, delays caused by local weather conditions. Unanticipated increases in the price of materials, fuel costs, labour or other inputs not taken into account in our bid may also have compounding effects by increasing costs of performing other parts of the contract. Our ability to pass on increases in the cost of fuel, equipment, labour and other inputs may be limited in the case of contracts with limited or no price escalation provisions, and we cannot assure you that these variations in cost will not lead to financial losses to our Company.

- 12. *We depend on a limited number of customers for a significant portion of our revenue. The loss of any of our major customer due to any adverse development or significant reduction in business from our major customer may adversely affect our business, financial condition, results of operations and future prospects.***

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. As our business is currently 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.

Substantial portion of our business contracts are with municipal authorities. Thus, we derive a high proportion of our revenues from a small number of customers. Our major contracts relate to processing and disposal, aggregation and treatment of waste awarded by regional government authorities and agencies like Solapur Municipal Corporation, Kalyan Dombivali Municipal Corporation, etc. Government projects are typically awarded through a bidding process where the tender documents specify certain pre-qualification criteria which may vary from client to client and from project to project. Our business therefore requires that we satisfy the pre-qualified status with key clients. 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.

- 13. *Member of our Promoter Group, Mr. Suhas Bhand was implicated in a CBI case pertaining to issuance of Bank Guarantees wherein orders were initially passed against him. However the matter has been stayed on appeal . In the event the final orders passed against him, it may adversely impact business reputation of our Promoter Group.***

Mr. Suhas Bhand, (father of the Promoter) was the Managing Director of M/s Cicon Environment Technology Ltd., Bhopal. . Certain Bank Guarantees were issued by Dena Bank, Bhopal in respect of which irregularities were alleged and an enquiry was made by CBI. The CBI Court while noting that no loss has been caused to the Bank and no financial benefits have accrued to Cicon in the transaction, considering certain procedural irregularities in issuance and invocation of the Bank Guarantees, convicted Mr. Suhas Bhand Section 13(1)(d), r/w Section 13(2)



of Prevention of Corruption Act 1988 and r/w Section 120-B of IPC .Smita Bhand of our Promoter group was also implicated, however, she was acquitted. Mr Suhas Bhand filed an appeal in the Hon'ble Madhya Pradesh High Court against the said conviction and the High Court vide Order dated 24.06.2019, observing certain merits in the appeal, suspended Mr. Suhas Bhand's sentence and granted bail. The said appeal is pending for final disposal. The litigation is related to our Promoter group and not against any of the Promoters, Directors or the Company or any of its Subsidiaries. However, an adverse final order may adversely impact the reputation of our promoter group and thereby our company.

For further details, please see the section “*Outstanding Litigation and Material Developments*” beginning on page 216 of this Draft Prospectus.

14. ***Solapur Bio-Energy Systems Pvt. Ltd., (SBESPL) our major revenue generating subsidiary was acquired by us from CICON Environment Technologies Ltd. (CICON) which was originally awarded the concession by Solapur Municipal Corporation (SMC) and the project was housed in SBESPL being the special purpose vehicle. CICON has since been struck off as a company from Register of Companies. Although, the acquisition of SBESPL was pursuant to an agreement dated 1st September 2008 between CICON and our Company and is also within the scope of Clause 16 of the Concession Agreement between CICON and SMC, no formal consent has been obtained from the SMC.***

Mr. Suhas Bhand, a Promoter of CICON who is also a member of our Promoter Group and CICON itself was involved in a CBI case and an adverse order was passed against Mr. Suhas Bhand, which is presently suspended on appeal. CICON has since been struck off from Register of Companies, though it is the initial awardee of the concession agreement by Solapur Municipal Corporation. It had transferred all its rights and liabilities to its SPV Solapur Bio-Energy Systems Pvt. Ltd. whose underlying shares have been later purchased by our Company vide Agreement dated 01.09.2008 and the Solapur project has been fully set up by SBESPL as per the terms of Concession Agreement.. However, there is no restriction in the concession agreement on transfer of underlying shares of the SPV. Rather the concession agreement in Clause 16 provides:

“AND WHEREAS SMC has agreed to allow CICON to form a "Special Purpose Vehicle (SPV)", if so desired by CICON, which may be a limited company or subsidiary company or joint company or any other business arrangement and or instrument for the project and obtaining necessary finance, expertise, technology backup or any other support to honour the LOI No. MCIPBIPHE-DegaonII21 dated 16<sup>th</sup> February, 2004, issued by SMC to CICON. In the case of forming SPV, as provided herein above, the plant shall be owned and operated by the said SPV, and all the rights and obligations under this agreement, shall be transferred with the said SPV, with the prior written permission of the Municipal Commissioner..”

Further vide letter dated 20.11.2009 by SMC to SPV says “ We hereby state that we do recognise M/s. Solapur Bioenergy Systems Pvt. Ltd. As Special Purpose Vehicle to own and operate the MSW Waste to Energy project being set up at Solapur. We further give our consent to M/S Solapur Bioenergy Systems Private Limited to mortgage the aforesaid land with the Financial Institution or Bank for the purpose of raising funds for the project”

The concession Agreement is does not specify any NOC requirement from SMC for change in control and accordingly we have not taken any formal NOC for such purchase of share or change in control. Further since 2009 this has been our wholly owned subsidiary and has been functioning under the terms of the concession agreement.

In light of the above, we have effected the share transfer in 2008 and we have been conducting business through the subsidiary Solapur Bioenergy Systems Private Limited for SMC.. Although we believe our action of acquiring SBESPL is well within the scope of the Concession Agreement and are fulfilling the requirements of the Agreement and receiving due payments from SMC, there is no assurance that in future this matter may not be viewed as a breach leading to dispute and thereby adversely impacting business of our subsidiary and our Company.

15. ***Any increase in or occurrence of our contingent liabilities may adversely affect our financial condition.***

As of March 31, 2023, our contingent liabilities as indicated in our Restated Financial Statements were as follows:

| <b>Contingent Liabilities</b>                         | <b>(Rs. In lakhs)</b> |
|---|-----------------------|
| Income Tax demands / Notices before CIT Appeals / TDS | 1,125.48              |
| Bank Guarantees / Corporate Guarantees                | 365.51                |
| <b>Total</b>  | <b>1,490.98</b>       |



Any increase in our contingent liabilities or occurrence of these liabilities may materially and adversely affect our financial position, results of operations and cash flows.

**16. *We have high working capital requirements. Our inability to meet our working capital requirements may have a material adverse effect on our business, financial condition and results of operations.***

Our business requires a significant amount of working capital, which depends upon the nature of the project. Generally, in our area of business, significant amounts of working capital are required towards financing the purchase of materials and equipment, advances to suppliers, margin monies towards bank guarantees.

Further, the processing and disposal of waste requires the Company to employ large numbers of workers and electricity and other fuel costs. In addition, a portion of the contract value, generally 10% or more of the value of the contract, is withheld by the client as security deposit / performance security and is released only upon the evaluation of the work or the completion date. Our working capital requirements will increase as we seek to expand our businesses. Our working capital requirements may also increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project. Delays in progressive payments or release of retention money or bank guarantees from our clients may increase our working capital needs. We may also experience significant cash outflows to satisfy any indemnity and liability claims, which may cause liquidity issues, due to which we might be unable to arrange for the appropriate earnest money deposit to bid for new projects. We may need to incur additional indebtedness and capital expenditures in the future to satisfy our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

**17. *We may not be able to collect receivables due from our customers, in a timely manner, or at all including additional moneys in respect of escalation costs, which may adversely affect our business, financial condition, results of operations and prospects.***

There may be delays in the collection of receivables from our customers. Our failure to collect such receivables due from our customers, in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and prospects.

Additionally, we may, at times, be required to claim additional payments from our customers for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. These claims may typically arise from changes in the initial scope of work or from delays caused by our clients. The costs associated with these changes or client caused delays may include direct costs such as labor and material costs associated with the performance of additional work, as well as indirect costs that may arise due to delays in the completion of the project, such as high fixed costs for maintaining idle labor and machinery while such projects are delayed or stalled.

We may not always have the escalation clauses in our project contracts in respect of the additional work to support our claims. Where we have escalation clauses in our project contracts, we may seek to enforce our contractual rights. However, our clients may interpret such clauses restrictively and dispute our claims. These claims are thus often subject to lengthy arbitration, litigation or other dispute resolution proceedings. We cannot assure you that we can recover adequately our claims. Our debtors may have insufficient assets to pay the amounts owed to us even if we win our cases. In addition, we may incur substantial costs in collecting against our debtors and such costs may not be recovered in full or at all from the debtors. As we often need to fulfil significant working capital requirements in our operations, delayed collection of receivables or inadequate recovery on our claims could materially and adversely affect our business, cash flows, financial condition and results of operations.

For details, please see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 142 and 210, respectively.

**18. *Our ability to negotiate the standard form of Municipal contracts for our projects may be limited and certain unusual or onerous provisions may be imposed on us, which may restrict our flexibility in undertaking our business and thereby affect the efficient execution and profitability of our projects.***

A majority of our projects are awarded to us by Municipal authorities. Our ability to negotiate the terms of contracts with our clients, particularly governmental agencies, is limited and certain unusual or onerous provisions may be imposed on us. Annuity contracts typically have certain inherent risks associated with them, including fixed concession periods without automatic renewal, fixed payment intervals and terms, and our inability to renegotiate financial terms or to seek extension on the expiry of the initial term. The contract would also impose certain onerous



provisions on us including restrictions in relation right to terminate the contract unilaterally without assigning any reason, liability of defects arising after termination of agreements, commitment compliance with operation and maintenance requirements, right to change the scope of work and associated details unilaterally. These onerous conditions in Government contracts may affect the efficient execution of our projects and may have adverse effects on our profitability.

**19. *Timely and successful completion of our projects is dependent upon the performance of the obligations by our clients or other related parties. Any failure or delay in the performance by our clients or related parties could adversely affect the timely execution of our projects and reputation.***

Our business is majorly dependent upon contracts awarded by municipal authorities. The commencement of our work often depends upon the performance of our clients or other related parties. These obligations may consist of sanctioning of money for the conduct of work, or certain permissions related to the accessibility to the concerned activity regions. Any delay on the part of our clients or any other authority whose involvement is necessary for the completion of the business activity, though not attributable to us, may cause material adverse effects to occur on the business.

**20. *Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

Our operations are subject to government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including various environmental approvals, labour related and tax related approvals. Many of the Licenses and approvals are in the name of “*Organic Recycling Systems Private Limited*”, and our old, registered office address, the same are required to be updated/changed with various government/semi government authorities and various organizations.

Currently, with respect to the material approvals/ licenses with regards to our object of the issue, our Company has received the following patent :

- Patent no – 438004 ; Patent Application number – 202122036579 for MARUT drum and Segregation equipment.

We will be required to make applications for permits / approvals for our upcoming projects. There can be no assurance that the relevant authorities will issue or rectify such permits or approvals in time or at all. Failure or delay in obtaining or maintaining or renew the required permits or approvals within applicable time or at all may result in interruption of our operations. Further, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business. For further details see “*Government and Other Approvals*” on page 230 of this Draft Prospectus.

**21. *We are dependent on our directors and senior management and our inability to retain them and attract new key personnel may have an adverse impact on the functioning of our business.***

Our success is substantially dependent on the expertise and services of our directors namely, Sarang Bhand and Yashas Bhand and other members of our senior management. We cannot assure you that we will be able to retain any or all of the key members of our management. In the event we lose the services of any of the key members of our management, our business may be materially and adversely affected. For further details of our directors and management, please see the section “*Our Management*” beginning on page 120 of this Draft Prospectus. Also, the directors and promoter have received several notices from SFIO, ROC and EOW for investigation and enquiry into the finances of the Company. Though no proceedings are ongoing against them, still they are being investigated by these authorities. We cannot be assured of any further action that will be taken against them in connection to these matters. For further details, please see the section “*Outstanding Litigation and Material Developments*” beginning on page 216 of this Draft Prospectus.

**22. *We may be liable for the non-performance of our consortiums.***

We have entered into consortium arrangement with Blue Planet Environmental Solutions India Private Limited for developing the Pallakad project through a SPV - Blue Planet Pallakad Waste Systems Pvt Ltd in our waste



management and processing business, including meeting pre-qualification criteria for the said project. A breach or inability of our partner to continue with the project, due to financial, legal or other difficulties, could result in us being required to bear increased and, at times, sole responsibility for the completion of the project and a greater share of the revenue risk of the project. In the event that a claim, arbitration award or judgment is awarded against the consortium, we will be responsible to the client for our share of the scope of work in the consortium.

**23. *We operate in a highly competitive business and increased competitive pressure may adversely affect our results of operations.***

There are around 25 participants in the MSW management market offering various services. Many infrastructure and environment services companies are present in this market. Competitors can be categorized into two tiers – national and local. National participants are large infrastructure and environmental services firms. Local participants are largely small firms involved in making compost. Most of our contracts are won through a competitive bidding process. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. In selecting contractors for projects, clients generally limit the tender to pre-qualified contractors based on criteria such as experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Our ability to meet the qualification criteria in our various business areas is critical to being considered for any project. Additionally, while these are important considerations, price is a major factor in most tender awards negotiated contracts, and our business is subject to intense price competition. Our competitors may be larger, better qualified, and may have better access to financial resources. Our inability to compete successfully with them could materially and adversely affect our business prospects and results of operations.

**24. *We may not be able to successfully implement our growth strategy***

We are embarking on a growth strategy which involves increasing our geographical footprint, expanding our customer base, moving up the MSW value chain, focusing on operational efficiencies to improve returns. These strategic initiatives may require significant capital and other resources, as well as management attention, which could place a burden on our resources and abilities. Our diversification into some of these business verticals is at a nascent stage and we may not be able to properly assess the risks, economic viability and prospects of business opportunities in such verticals. As a result, we may not be successful in developing these businesses to the extent of and in accordance with our expectations and business strategies and there can be no assurance relating to any revenues from or profitability of such strategies we intend to pursue.

**25. *We are exposed to significant cost variations on fixed-rate contracts.***

Under the terms and conditions of our contracts, we generally agree to a fixed rate for providing disposal waste aggregation and waste processing services. In certain contracts, there may be a clause for price variation covering cost of labour, material, fuel, etc. The actual expenses incurred by us while executing a fixed-price contract may vary substantially from our bid for various reasons, including but not limited to:

- unanticipated increases in the cost of equipment, materials or manpower.
- changes in taxes and duties;
- delays due to non-receipt of client approvals or payments at specific project milestones.
- delays associated with the delivery of equipment and materials to the project site;
- delays caused by local weather conditions;
- disputes arising out of the contract; and
- suppliers' or subcontractors' failure to perform;

Unanticipated costs or delays in performing a part of the contract can also have compounding effects by increasing costs of performing other parts of the contract. In addition, we may be required to pay liquidated damages to the client for any delay. These variations and the risks are generally inherent to the businesses in which we operate and may result in our revenues or profits being different from those originally estimated resulting in reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant adverse effect on our results of operations.

**26. *Our indebtedness, including various conditions and restrictive covenants imposed on us under our financing agreements and could adversely affect our ability to grow our business or react to changes in our business environment.***



As of March 31, 2023, the outstanding amount under the borrowings of our Company, on a consolidated basis was Rs. 6,981.41 lakhs.

There can be no assurance that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all our indebtedness on or before maturity. There can be no assurance that we will be able to refinance our indebtedness on commercially reasonable terms or at all. If we cannot obtain alternative sources of financing or our costs of borrowings become significantly more expensive, our financial condition and results of operations will be materially and adversely affected. There are certain unsecured loans taken by us which can be recalled by the lenders at any time.

We are required to furnish financial and performance bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.

The agreements governing certain of our debt obligations include terms that restrict our ability to make capital expenditures and investments, declare dividends, merge with other entities, incur further indebtedness and incur liens on, or dispose of, our assets, undertake new projects, change our management and board of directors, materially amend or terminate any material contract or document and modify our capital structure. Certain credit facilities extended by the banks are repayable on demand. Further, under the terms of certain loan documentation, we are required to assign all the material project contracts, land documents, insurance policies, permits and approvals and all our other rights and interests related to certain projects in favour of the lenders. Certain loans from lending institutions and banks may require the cash inflows from projects to be deposited in escrow accounts opened with our lenders and the proceeds to be utilized in a manner as agreed between such lender and us. They may also require us to mortgage properties, etc. in lieu of the lending facility.

A failure on our part to comply with the terms of our loan agreements may result in an event of default under such agreements. In such a case, the lenders may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over our various assets and take possession of those assets, any of which could materially and adversely affect our liquidity, financial condition and business operations. In addition, to the extent that we cannot make payments on accelerated amounts, such non-payment could result in the cross-default and/or cross acceleration of some or all of our other outstanding indebtedness, and payment of penalty interest, which could also materially and adversely affect our liquidity, financial condition and business operations. For further details, please see "Financial Indebtedness" on page 204.

**27. *Our operations may be subject to contaminated waste and other risks and could expose us to material liabilities, loss in revenues and increased expenses and negatively impact employee morale.***

Our operations may be subject to contaminated waste handling inherent in providing our services which include risks such as infections, exposition to harmful waste materials, equipment malfunctions, work accidents, fire or explosion, including hazards that may cause injury and loss of life, environmental damage. We may be unable to mitigate these risks through contractual limitations of liability, indemnities and insurance. Losses may arise from risks not addressed in our agreements or insurance policies, or we may be unable to obtain adequate insurance against some risks on commercially reasonable terms. Workplace accidents and high accident rates may expose us (or our consortium or joint venture partners) to litigation, take up our management's time and resources and materially increase our future insurance and other operating costs. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations, the perception of our suppliers and clients and the morale and attrition rate of our employee. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

**28. *We are exposed to claims for inadequate performance and defects that may affect our projects and which may have an adverse effect on our business.***

We are subject to deliver the goods and perform our service within the stipulated period under each of our contract. If we fail to deliver any or all of the goods or fail to perform our services under the stipulated period, a penalty is deducted. We may further be subject to claims resulting from inadequate performance and defects arising from procurement and/or management services provided by us. Further, we have faced delays in our past projects not particularly due to default from our end but due to actions of the parties involved who sometime create hindrances and do not cooperate in completion of the projects.

Actual or claimed defects in the quality of service could give rise to claims, liabilities, costs and expenses, relating



to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Any significant operational problems or the loss of our machines and equipment for an extended period of time could result in delays or incomplete projects or services and adversely affect our results of operations.

**29. *We employ a significant number of personnel in our business operations which are a substantial part of our total expense and such number may increase substantially in future. We may be subject to work stoppages and face labour disruptions with our employees or contract workers in the future that would interfere with our operations and adversely impact our business and financial condition.***

For the Fiscals 2023, 2022 and 2021, our Restated Expenses on salaries, wages and bonus was Rs. 359.06 lakhs, Rs. 275.40 lakhs and Rs. 227.70 lakhs, respectively, constituting 17.36%, 12.02% and 11.23% respectively, of our Restated Consolidated total expense for such periods. Some of our business operations are labour intensive. The employees are also required to have certain skill sets and require necessary clearances from government agencies. There can be no assurance that we will be able to procure and train, on time or at all, sufficient employees for any project or that we will be able to successfully re-deploy such employees in our organization upon the completion of a project. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our consortium and joint venture partners may experience strikes or other industrial action. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition.

**30. *If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.***

We are subject to a number of stringent labour laws. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment and periodic revisions to minimum wage. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**31. *We may be unable to sustain growth at historical levels. Our inability to manage growth may have an adverse effect on our business and results of operations.***

We have experienced steady growth in recent years. For example, as per our Restated Financial Statements, our total revenue has grown from Rs.1,578.18 lakhs in Fiscal 2021 to Rs.2,534.10 lakhs in Fiscal 2023, at a CAGR of 26.72% and our net loss, has decreased from Rs.449.37 lakhs in Fiscal 2021 to a profit of Rs. 365.38 lakhs in Fiscal 2023. While no assurance can be given that the past increases in our revenue and profits will continue, if this growth continues, it will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- i. recruiting, training and retaining sufficient skilled personnel;
- ii. adhering to health, safety and environment and quality and process execution standards that meet client expectations; and
- iii. developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Any inability to manage our growth may have an adverse effect on our business and results of operations.

**32. *Our insurance coverage may not adequately protect us against certain risks and claims and we may be subject to losses that might not be covered in whole or in part by our existing insurance coverage.***

We maintain insurance coverage of the type and in amounts that we believe are commensurate with our operations, including motor vehicles insurance, workers' compensation, accident and medical insurance. As on March 31, 2023, the total insurance coverage maintained by our Company was Rs. 6865.64 lakhs which was 0.70 times the



net assets of the Company as per the Restated Financial Statement for the period ended March 31, 2023. Under many of our contracts with clients, we are required to obtain insurance for the projects undertaken by us, and we may also purchase specific business operations insurance policies for individual projects. However, in some cases, we may have not obtained the required insurance, or our insurance policies may have lapsed prior to the completion of a delayed project. Further, we may not have obtained insurance cover for some of our projects that do not require us to maintain insurance. There are various other types of risks and losses for which we are not insured, such as loss of business, environmental liabilities and natural disasters, because they are either uninsurable or not insurable on commercially acceptable terms. Should an uninsured loss or a loss in excess of insured limits occur, we could incur liabilities, lose capital invested in that property or lose the anticipated future income derived from that business or property, while remaining obligated for any operational or financial obligation. Any such loss could result in a material adverse effect on our financial condition and results of operations.

**33. *Our inability to attract and retain skilled personnel could adversely affect our business and results of operations.***

Our ability to meet future business challenges depends on our ability to attract and recruit talented and skilled personnel. We face strong competition to recruit and retain skilled and professionally qualified staff in all the businesses that we operate. We are not certain that we will be able to increase salaries at historical rates in future and maintain our profitability margins. Further, there can be no assurance that an increase in salary will result in increased retention. Our future performance will depend upon the continued services of these persons. An inability to retain employees in different categories may materially and adversely impact our business and results of operations. In addition, we cannot assure you that we will be successful in our efforts to retain or attract qualified personnel when needed.

**34. *We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.***

We have entered into certain transactions with related parties, including our joint venture partners, our Directors and our key managerial personnel and may continue to do so in future. The absolute value of all transactions entered into with our related party entities as per our Restated Financial Statements for the year ended March 31, 2023, was Rs. 1,211.78 lakhs. These transactions or any future transactions with our related parties could potentially involve conflicts of interest. For details of related party transactions, please see the sections “*Our Management*” and “*Financial Statements*”, beginning on pages 120 and 142, respectively, of this Draft Prospectus.

**35. *Obsolescence, destruction, theft or breakdown of our equipment, or failure to repair or maintain such equipment, or the enforcement of any security rights over such assets, where such assets are mortgaged as security for our borrowings, may adversely affect our business, financial condition, results of operations, and prospects.***

To maintain our capability to undertake large projects, we seek to purchase equipment built with the latest technology and knowhow and keep them readily available for our project through careful and comprehensive repairs and maintenance. However, we cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our equipment, destruction, theft or major equipment breakdowns or failures to repair our equipment, which may result in their unavailability, project delays, cost overruns and even defaults under our contracts.

We may not be able to acquire new equipment, repair or replace damaged or lost equipment in time or at all, particularly where such equipment is not readily available from the market, at commercially reasonable terms or at the time we require, or requires services from original equipment manufacturers. Additionally, rapid and frequent technology and market demand changes can often render existing technologies and other equipment obsolete requiring substantial new capital expenditure and/or write-downs of assets. Some of our major equipment or parts may be costly to replace or repair. We may experience significant price increases or delays in supply due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failure or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, financial condition and prospects.

**36. *We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.***

Changes in interest rates could significantly affect our financial condition and results of operations. The interest rates of certain of our borrowings are subject to floating rates of interest based on changes in the prime lending





rate of the respective lenders, which are subject to renegotiation on a yearly basis. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

**37. *Deployment of the Net Proceeds of the Fresh Issue are based on management estimates and have not been independently appraised.***

We intend to use the net proceeds of the Fresh Issue for purposes described in the section “*Objects of the Issue*” beginning on page 58 of this Draft Prospectus. The Net Proceeds of the Fresh Issue are based on management estimates, and our current business plans and such intended use of proceeds have not been appraised by any bank or financial institution. Since the quantum of the Fresh Issue does not exceed ₹ 1,000 million, we are not required to appoint any monitoring agency for the Issue. Because of the competitive and dynamic nature of the businesses that we operate, we may need to revise our expenditure and fund requirements due to changes in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. In the event of an increase in expenditure and fund requirements, we intend to try and meet these increased requirements through our internal accruals and additional debt or equity arrangements.

**38. *Our Company, certain of our Subsidiaries and certain of our Group Companies have availed secured and unsecured loans, and may in the future avail, such loans that may be recalled by the lenders at any time.***

Our Company, certain of our Subsidiaries and certain of Group Companies have availed and may in the future avail, secured and unsecured loans which may be recalled by the lenders at any time. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company or the relevant Subsidiary or the relevant Group Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As a result, of any such demand with respect to the loans of our Company and our Subsidiaries may affect our business, cash flows, financial condition and results of operations and any such demand with respect to the loans of our Group Companies may affect their business, cash flows, financial condition and results of operations. As on March 31, 2023, we had unsecured loans of Rs. 64.28 crores. As on March 31, 2023, we have secured loans of Rs. 5.54 crores.

For further details, see “*Financial Indebtedness*”, and “*Group Companies*” beginning on pages 204 and 136, respectively.

**39. *We are subject to the risk of failure of, or weakness in, our internal control systems, which may have an adverse impact on our business, financial condition, results of operations and prospects.***

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customer’s needs, hire and retain new employees or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations.

**40. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditures. 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. For details of dividend paid by our Company in the past, see “*Dividend Policy*” on page 141 of this Draft Prospectus.



**41. *The contracts in our order book may be adjusted, cancelled or suspended by our customers and, therefore our order book is not necessarily indicative of our future revenues or profit.***

There can be no assurance that our order book will actually be realized as revenues or, if realized, will result in profits. All of our contracts are subject to cancellation, termination, or suspension at the discretion of the customer at any stage of the contract. In addition, the contracts in our order book are subject to changes in the scope of services and products to be supplied as well as adjustments to the costs relating to the contracts or place of delivery. Projects can remain in order book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. There may also be disputes in relation to our order book. Any delay, cancellation, dispute or payment default could adversely affect our business, results of operations and financial condition.

**42. *Enforcement of pledge of shares held by our Company in our Subsidiaries, in favor of lenders to our Subsidiaries, may adversely affect our business and results of operations.***

Our Subsidiary SBESPL has pledged their shares to Bank of Baroda. If we fail to satisfy our debt service obligations as they become due, the lenders could exercise their creditors' rights, and enforce the pledge of shares held by our Company in such Subsidiaries. If this occurs, we would not be able to continue operate properly as our working capital would get lower. If we are unable to source funds to repay such indebtedness within the period specified by the creditors, the creditors could sell our shares to third parties. We may not be able to repurchase the shares and a large part of our Subsidiaries would be held by lenders and third parties which would adversely affect our business and the results of operation.

**43. *The outbreak of COVID-19 or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

An outbreak of a novel strain of coronavirus (COVID-19) was recognized by the World Health Organization as a public health emergency of international concern on January 30, 2020, and as a pandemic on March 11, 2020. The outbreak of COVID-19 has significantly and adversely impacted and will likely continue to impact economic activity and has contributed to significant volatility in global financial markets and led to operational challenges. It is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, stagnation, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. In particular, a number of governments and organizations have revised GDP growth forecasts for 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as issuing advisories and imposing country or state wide lockdowns, including restrictions on travel and temporary closure of business operations and increased remote working protocols, which have significantly slowed down economic activity. On March 14, 2020, India declared COVID-19 as a notified disaster and imposed a nationwide lockdown announced on March 24, 2020. Since our Solapur waste processing plant was covered under essential services category, it was under operations during COVID-19. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future.

#### **External Risk Factors**

**44. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.***

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn



in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

**45. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in and our operations are in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- prevailing regional conditions,
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

**46. *If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.***

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned, and expenditure incurred. Our business and financial performance may be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcing them may adversely affect our results of operations.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. See "Statement of Special Tax Benefits" on page 68 for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time.



The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

**47. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.**

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**48. The ability of Indian companies to raise foreign capital may be constrained by Indian law.**

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

**Risks Relating to the Equity Shares and the Issue**

**49. We may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.**

Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax ("STT") was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**50. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other significant shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt or equity financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of



our Equity Shares. We cannot assure you that we will not offer Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**51. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Managers, and through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Issue Price*” on page 64 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

**52. *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.



## SECTION IV – INTRODUCTION

### THE ISSUE

| Particulars   | Details of Number of Shares   |
|---|---|
| Issue of Equity Shares by our Company   | 25,00,200 Equity Shares of face value of Rs. 10/- each fully paid-up for cash at price of Rs.200/- per Equity Share (including a share premium of Rs. 190/- per Equity Share) aggregating to Rs. 5,000.40 Lakhs. <sup>(1)</sup>   |
| <b>Of which:</b>  |   |
| Reserved for Market Makers  | 1,30,200 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 200/- per Equity Share aggregating to Rs.260.40 Lakh.   |
| Net Issue to the Public   | 23,70,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 200/- per Equity Share aggregating to Rs.4740.00 Lakh.   |
| <b>Of which:</b>  |   |
| Retail Investors Portion  | Upto 11,85,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 200/- per Equity Share aggregating to Rs. 2370.00 Lakh, i.e. 50% of the Net Issue shall be available for allocation for Retail Individual Investors. <sup>(a)</sup>                     |
| Non-Retail Investors Portion<br>(Including Non- Institutional Investors and Qualified Institutional Buyers) | Upto 11,85,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 200/- per Equity Share aggregating to Rs.2370.00 Lakh, i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors. <sup>(b)</sup> |
| <b>Pre-and Post-Issue Equity Shares:</b>  |   |
| Equity Shares outstanding prior to the Issue  | 51,99,075 Equity Shares of Rs.10/- each   |
| Equity Shares outstanding after the Issue   | 76,99,275 Equity Shares of Rs.10/- each   |
| Use of net proceeds by our Company  | For further details please refer chapter titled ' <b>Objects of the Issue</b> ' beginning on page no. 58 of this Draft Prospectus for information on use of Issue Proceeds  |

<sup>(1)</sup> This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 251 of this Draft Prospectus.

The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on October 4, 2022, and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)I of the Companies Act, 2013 at the Extra Ordinary General meeting held on October 18, 2022.

As per Regulation 253 of the SEBI (ICDR) Regulations 2018, as amended, as present issue is a fixed price issue “the Allocation is the net issue to the public category shall be made as follows:

- (a) Minimum fifty percent to retail individual investors; and
- (b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

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



## SUMMARY OF FINANCIAL INFORMATION

### Statement of Consolidated Assets & Liabilities, As Restated

(INR in Lakhs)

| Particulars  | Annexure | As at<br>March 31,<br>2023 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|----------|----------------------------|-------------------------|-------------------------|
| <b>Equity and liabilities</b>  |          |                            |                         |                         |
| <b>Shareholders' funds</b>   |          |                            |                         |                         |
| Share capital  | VI       | 535.67                     | 45.78                   | 45.78                   |
| Reserves and surplus   | VII      | 2,014.40                   | 763.08                  | 1,298.11                |
|  |          | <b>2,550.07</b>            | <b>808.86</b>           | <b>1,343.88</b>         |
| <b>Non-current liabilities</b>   |          |                            |                         |                         |
| Long-term borrowings   | VIII     | 6,703.71                   | 4,676.00                | 4,668.90                |
| Other Long-term liabilities  | IX       | 453.75                     | 453.75                  | 1,199.57                |
| Long-term provisions   | X        | 48.01                      | 43.40                   | 39.56                   |
|  |          | <b>7,205.47</b>            | <b>5,173.15</b>         | <b>5,908.03</b>         |
| <b>Current Liabilities</b>   |          |                            |                         |                         |
| Short-term borrowings  | VIII     | 277.70                     | 742.38                  | 780.99                  |
| Trade payables   | XI       |                            |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises                      |          | 733.69                     | 739.42                  | 667.20                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 118.36                     | 125.01                  | 167.98                  |
| Other current liabilities  | IX       | 1,041.88                   | 3,077.02                | 1,401.25                |
| Short-term provisions  | X        | 3.49                       | 3.52                    | 3.35                    |
|  |          | <b>2,175.56</b>            | <b>4,687.34</b>         | <b>3,020.77</b>         |
| <b>Total</b>   |          | <b>11,931.10</b>           | <b>10,669.35</b>        | <b>10,272.69</b>        |
| <b>Assets</b>  |          |                            |                         |                         |
| <b>Non-current assets</b>  |          |                            |                         |                         |
| Property, Plant & Equipment and Intangible assets                                      |          |                            |                         |                         |
| -Property, Plant & Equipment   | XII      | 5,928.41                   | 6,352.53                | 6,745.00                |
| -Goodwill on Consolidation   | XIII     | 93.81                      | 93.81                   | 104.85                  |
| -Intangible assets   | XII      | 1.09                       | 7.37                    | 13.72                   |
| -Capital Work in Progress  | XII      | 13.98                      | 13.98                   | 13.98                   |
| -Intangible assets under development   | XII      | 1,015.29                   | 604.52                  | 293.09                  |
| Non-current investments  | XIV      | 0.10                       | 0.10                    | 0.48                    |
| Deferred Tax Assets  | XV       | 730.82                     | 748.55                  | 748.55                  |
| Long-term loans and advances   | XVI      | 16.04                      | 79.60                   | 102.82                  |
| Other non current assets   | XVII     | 310.75                     | 405.29                  | 359.76                  |
|  |          | <b>8,110.30</b>            | <b>8,305.75</b>         | <b>8,382.25</b>         |
| <b>Current assets</b>  |          |                            |                         |                         |
| Inventories  | XVIII    | 89.70                      | 120.36                  | 106.76                  |
| Trade receivables  | XIX      | 3,128.40                   | 1,998.93                | 1,452.19                |
| Cash and cash equivalents  | XX       | 22.98                      | 26.99                   | 92.15                   |
| Short-term loans and advances  | XVI      | 131.39                     | 217.08                  | 239.30                  |
| Other current assets   | XVII     | 448.33                     | 0.23                    | 0.02                    |
|  |          | <b>3,820.81</b>            | <b>2,363.60</b>         | <b>1,890.43</b>         |
| <b>Total</b>   |          | <b>11,931.10</b>           | <b>10,669.35</b>        | <b>10,272.69</b>        |

**Note:**



## Statement of Consolidated Profit & Loss, As Restated

( INR in Lakhs)

| Particulars  | Annexure | For the Year<br>Ended March<br>31, 2023 | For the Year<br>Ended<br>March 31, 2022 | For the Year Ended<br>March 31, 2021 |
|--|----------|---|---|--------------------------------------|
| <b>Income</b>  |          |   |   |                                      |
| Revenue from operations  | XXI      | 2,471.93                                | 1,461.37                                | 1,252.38                             |
| Other income   | XXII     | 62.18                                   | 295.30                                  | 325.80                               |
| <b>Total Income (I)</b>  |          | <b>2,534.10</b>                         | <b>1,756.67</b>                         | <b>1,578.18</b>                      |
| <b>Expenses</b>  |          |   |   |                                      |
| Direct expense   | XXIII    | 526.08                                  | 687.25                                  | 774.97                               |
| Change in inventories of finished goods and work in progress                   | XXIV     | 28.00                                   | (16.85)                                 | 11.99                                |
| Employee benefits expense  | XXV      | 359.06                                  | 275.40                                  | 227.70                               |
| Depreciation and amortization expense  | XXVI     | 495.82                                  | 595.99                                  | 644.69                               |
| Finance costs  | XXVII    | 187.95                                  | 152.74                                  | 131.42                               |
| Other expenses   | XXVIII   | 471.52                                  | 596.78                                  | 236.63                               |
| <b>Total expenses (II)</b>   |          | <b>2,068.43</b>                         | <b>2,291.32</b>                         | <b>2,027.40</b>                      |
| <b>Profit / (Loss) before Extraordinary Items, Prior Period and Tax (I-II)</b> |          | <b>465.68</b>                           | <b>(534.65)</b>                         | <b>(449.22)</b>                      |
| Extraordinary Items  | XXIX     | -                                       | -                                       | -                                    |
| <b>Profit / (Loss) before Prior Period and Tax (I-II)</b>                      |          | <b>465.68</b>                           | <b>(534.65)</b>                         | <b>(449.22)</b>                      |
| Prior Period Expenses  |          | -                                       | -                                       | -                                    |
| <b>Profit / (Loss) before tax</b>  |          | <b>465.68</b>                           | <b>(534.65)</b>                         | <b>(449.22)</b>                      |
| <b>Tax Expenses</b>  |          |   |   |                                      |
| Current tax  |          | (82.56)                                 | -                                       | -                                    |
| Deferred tax   |          | (17.73)                                 | -                                       | -                                    |
| Short/(Excess) provision of tax of earlier years                               |          | -                                       | -                                       | -                                    |
| <b>Total tax expenses</b>  |          | <b>(100.30)</b>                         | <b>-</b>                                | <b>-</b>                             |
| <b>Profit / (Loss) before Share of Profit / (Loss) of Associates</b>           |          | <b>365.38</b>                           | <b>(534.65)</b>                         | <b>(449.22)</b>                      |
| Share of Profit / (Loss) in Associates   |          |   | <b>(0.38)</b>                           | <b>(0.14)</b>                        |
| <b>Profit / (Loss) for the year (before adjustment for Minority Interest)</b>  |          | <b>365.38</b>                           | <b>(535.03)</b>                         | <b>(449.37)</b>                      |
| Minority Interest  |          | -                                       | -                                       | -                                    |
| <b>Profit / (Loss) for the year</b>  |          | <b>365.38</b>                           | <b>(535.03)</b>                         | <b>(449.37)</b>                      |
| <b>Earnings per equity share (in INR) [nominal value of INR 10 per share]</b>  |          |   |   |                                      |
| Basic  |          | 7.83                                    | (12.93)                                 | (10.86)                              |
| Diluted  |          | 7.83                                    | (12.09)                                 | (10.15)                              |





## Statement of Consolidated Cash Flow, As Restated

(INR in Lakhs)

| Particulars   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 | Year Ended<br>31/03/2021 |
|---|--------------------------|--------------------------|--------------------------|
| <b>Cash flow from operating activities</b>                                      |                          |                          |                          |
| Profit / (Loss) before Tax and Extraordinary item                               | 465.68                   | (534.65)                 | (449.22)                 |
| Adjustment to reconcile profit before tax to net cash flows                     |                          |                          |                          |
| Depreciation and amortisation   | 495.82                   | 595.99                   | 644.69                   |
| Finance cost  | 187.95                   | 152.74                   | 131.42                   |
| Interest income   | (9.60)                   | (10.92)                  | (11.56)                  |
| Sundry balance written back   | (50.71)                  | (276.07)                 | (303.76)                 |
| Bad debts and Balance written off   | 2.02                     | 147.50                   | 34.73                    |
| Provision for doubtful debts  | -                        | 74.16                    | -                        |
| Gain on sale of property, plant and equipment                                   | (0.04)                   | (7.70)                   | -                        |
| Impairment of Goodwill  | -                        | 11.04                    | -                        |
| Share of Loss/ Profit of Associate  | -                        | (0.38)                   | (0.14)                   |
| <b>Operating profit before working capital changes</b>                          | <b>1,091.12</b>          | <b>151.70</b>            | <b>46.14</b>             |
| <b>Movement in working capital :</b>  |                          |                          |                          |
| Increase/ (Decrease) in Trade payables  | (10.43)                  | 14.41                    | (94.01)                  |
| Increase/ (Decrease) in Other liabilities                                       | (1,943.37)               | 1,308.93                 | 423.74                   |
| Increase/ (Decrease) in Provisions  | 5.03                     | 4.01                     | 4.17                     |
| Decrease/ (Increase) in Loans and advances                                      | 9.85                     | 39.00                    | 52.77                    |
| Decrease/ (Increase) in Inventories   | 30.66                    | (13.60)                  | 13.68                    |
| Decrease/ (Increase) in Trade receivables                                       | (1,129.46)               | (677.36)                 | (480.63)                 |
| Decrease/ (Increase) in Other current / non current assets                      | (423.88)                 | (43.11)                  | 11.99                    |
| <b>Cash generated from/(used in) operations</b>                                 | <b>(2,370.47)</b>        | <b>783.98</b>            | <b>(22.15)</b>           |
| Direct Taxes paid (net of refunds)  | -                        | -                        | -                        |
| <b>Cash generated from/(used in) operations before extraordinary item</b>       | <b>(2,370.47)</b>        | <b>783.98</b>            | <b>(22.15)</b>           |
| Extraordinary Item  | -                        | -                        | -                        |
| <b>Net cash flow from operating activities (A)</b>                              | <b>(2,370.47)</b>        | <b>783.98</b>            | <b>(22.15)</b>           |
| <b>Cash flow from investing activities</b>                                      |                          |                          |                          |
| Purchase of property, plant and equipment including capital advances            | (126.21)                 | (364.17)                 | (56.16)                  |
| Purchase of intangible asset including capital advances                         | (0.24)                   | (0.75)                   | (0.38)                   |
| Sale of Property, Plant and Equipment   | 0.16                     | 11.31                    | -                        |
| Intangible Asset Under Development  | (338.74)                 | (311.43)                 | (293.09)                 |
| Capital Work in Progress  | -                        | -                        | -                        |
| Term Deposit  | 57.71                    | (3.10)                   | -                        |
| Investment in associates and others   | -                        | 0.38                     | (0.38)                   |
| Interest received   | 21.33                    | -                        | -                        |
| <b>Net cash used in investing activities (B)</b>                                | <b>(385.98)</b>          | <b>(667.77)</b>          | <b>(350.00)</b>          |
| <b>Cash flow from financing activities</b>                                      |                          |                          |                          |
| Issue of compulsory convertible debentures                                      | 1,385.00                 | -                        | -                        |
| Redemption of optionally convertible preference shares                          | (9.17)                   | -                        | -                        |
| Proceeds /(Repayment) from long-term borrowings including current maturity, net | 2,123.52                 | (19.89)                  | 595.40                   |
| Proceeds /(Repayment) from short-term borrowings, net                           | (560.49)                 | (11.57)                  | (20.21)                  |
| Interest paid   | (186.41)                 | (153.01)                 | (131.42)                 |
| <b>Net cash used in financing activities (C)</b>                                | <b>2,752.45</b>          | <b>(184.47)</b>          | <b>443.76</b>            |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>         | <b>(4.01)</b>            | <b>(68.26)</b>           | <b>71.61</b>             |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>                 | <b>23.89</b>             | <b>92.15</b>             | <b>20.54</b>             |
| <b>Cash and cash equivalents at end of the year</b>                             | <b>19.88</b>             | <b>23.89</b>             | <b>92.15</b>             |
| <b>Components of cash and cash equivalents</b>                                  |                          |                          |                          |
| Cash in hand  | 2.73                     | 3.05                     | 5.60                     |
| Balances with banks:  |                          |                          |                          |
| - on current accounts   | 17.15                    | 20.84                    | 86.54                    |
| Term Deposit with bank with Original maturity less than                         |                          | -                        | -                        |



3 months

**Total cash & cash equivalents**

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**19.88**

**23.89**

**92.15**

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**Note:**

The above statement should be read with the notes to the Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.





## GENERAL INFORMATION

### Brief Information on Organic Recycling Systems Limited and the Issue


|   |  |     |                      |
|---|--|-----|----------------------|
| <b>Registered Office</b>                        | Office No. 1003, 10th Floor, The Affaires Plot No. 9, Sector-17, Sanpada, Navi Mumbai-400705. Contact Person: Ms. Zinal Mukund Shah<br>E-mail: <a href="mailto:cs@organicrecycling.co.in">cs@organicrecycling.co.in</a><br>Tel. No.: 022-41702222<br>Website : <a href="https://organicrecycling.co.in/">https://organicrecycling.co.in/</a> |     |                      |
| <b>Date of Incorporation</b>                    | August 29, 2008  |     |                      |
| <b>CIN</b>                                      | U40106MH2008PLC186309  |     |                      |
| <b>Company Category</b>                         | Company Limited by Shares  |     |                      |
| <b>Company Sub-category</b>                     | Indian Non-Government Company  |     |                      |
| <b>Registrar of Company</b>                     | Registrar of Company, Mumbai<br>100, Everest, Marine Drive, Mumbai 400002<br>Phone: 022-22812627/22020295/22846954<br>Fax: 022-22811977<br>Email: <a href="mailto:roc.mumbai@mca.gov.in">roc.mumbai@mca.gov.in</a> ; Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>   |     |                      |
| <b>Company Secretary and Compliance Officer</b> | Name: Zinal Mukund Shah<br>Address: Office No. 1003, 10th Floor, The Affaires Plot No. 9, Sector-17, Sanpada, Navi Mumbai- 400705<br>Tel: 02241702222<br>Email: <a href="mailto:cs@organicrecycling.co.in">cs@organicrecycling.co.in</a> ; Website : <a href="https://organicrecycling.co.in/">https://organicrecycling.co.in/</a>           |     |                      |
| <b>Chief Financial Officer</b>                  | Name: Mr. Jigar Gudka<br>Address: Office No. 1003, 10th Floor, The Affaires Plot No. 9, Sector-17, Sanpada, Navi Mumbai- 400705<br>Tel: 022- 41702222.<br>Email: <a href="mailto:cfo@organicrecycling.co.in">cfo@organicrecycling.co.in</a> ; Website : <a href="https://organicrecycling.co.in/">https://organicrecycling.co.in/</a>        |     |                      |
| <b>Designated Stock Exchange</b>                | BSE Limited<br>P.J. Tower, Dalal Street, Fort, Mumbai-400001, Maharashtra<br>Website: <a href="http://www.bseindia.com">www.bseindia.com</a>   |     |                      |
| <b>Issue Programme</b>                          | Issue Opens On:  | [●] | Issue Closes On: [●] |


*Note: Applications and any revisions to the same will be accepted only between 10.00 a.m. and 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 applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.*

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

| Lead Manager to the Issue  | Registrar to the Issue   |
|--|--|
|  <p><b>Arihant Capital Markets Limited</b><br/>1011, Solitaire Corporate Park,<br/>Building No. 10, 1<sup>st</sup> Floor,<br/>Guru Hargovindji Road, Chakala,<br/>Andheri (East),<br/>Mumbai 400093<br/>Tel No.: +91 – 22- 42254800<br/>Email: <a href="mailto:mbd@arihantcapital.com">mbd@arihantcapital.com</a><br/>Website: <a href="http://www.arihantcapital.com">www.arihantcapital.com</a><br/>Investor Grievance Email: <a href="mailto:mbd@arihantcapital.com">mbd@arihantcapital.com</a><br/>Contact Person: Mr. Amol Kshirsagar / Mr. Satish Kumar P<br/>SEBI Registration No. INM 000011070</p> |  <p><b>Maashitla Securities Private Limited</b><br/>Address: 451, Krishna Apra Business Square<br/>Netaji Subhash Place, Pitampura<br/>New Delhi-110034.<br/>Tel No: <a href="tel:011-45121795">011 - 45121795</a>;<br/>Email: <a href="mailto:ipo@masshitla.com">ipo@masshitla.com</a><br/>Website: <a href="https://maashitla.com/">https://maashitla.com/</a><br/>Investor Grievance Email : <a href="mailto:ig@maashitla.com">ig@maashitla.com</a><br/>Contact Person: Mr. Mukul Agrawal<br/>SEBI Registration No.: INR000004370</p> |



| Statutory/Peer Review Auditors of the Company  | Legal Advisor to the Issue   |
|--|--|
| <p><b>Jayesh Sanghrajka &amp; Co LLP</b><br/>Chartered Accountants<br/><b>Jayesh Sanghrajka &amp; Co LLP</b><br/><b>Firm Registration No.:</b> 104184W/W100075;<br/><b>Address:</b> 405-408, Hind Rajasthan Building, 95, Dada Saheb Phalke Marg, Dadar East, Mumbai, Maharashtra 400014<br/><b>Tel. No:</b> 022- 40774600;<br/><b>Email:</b> <a href="mailto:info@jsandco.in">info@jsandco.in</a>;<br/><b>Website :</b> <a href="https://jsandco.in/">https://jsandco.in/</a><br/><b>Contact Person:</b> Mr. Pritesh Bhagat</p> | <p><br/><b>MV Kini Law Firm</b><br/><b>Address:</b> Kini House, Near Citi bank, D.N. Road Fort, Mumbai 400001<br/><b>Tel. No:</b> (91) 22 66664298 / 99 (91) 22 66666577/78/79;<br/><b>Fax No.:</b> (91) 22 2261 2531<br/><b>Email:</b> <a href="mailto:vidisha@mvkini.com">vidisha@mvkini.com</a>;<br/><b>Website:</b> <a href="https://www.mvkini.com/">https://www.mvkini.com/</a><br/><b>Contact Person:</b> Ms. Vidisha Krishan</p> |

| Market Maker   | Banker to the Issue & Sponsor Bank |
|--|------------------------------------|
| <p><br/><b>Arihant Capital Markets Limited</b><br/>1011, Solitaire Corporate Park,<br/>Building No. 10, 1<sup>st</sup> Floor,<br/>Guru Hargovindji Road, Chakala,<br/>Andheri (East),<br/>Mumbai 400093<br/><b>Tel No.:</b> +91 – 22- 42254800<br/><b>Email:</b> <a href="mailto:mbd@arihantcapital.com">mbd@arihantcapital.com</a><br/><b>Website:</b> <a href="http://www.arihantcapital.com">www.arihantcapital.com</a><br/><b>Investor Grievance Email:</b> <a href="mailto:mbd@arihantcapital.com">mbd@arihantcapital.com</a><br/><b>Contact Person:</b> Mr. Amol Kshirsagar / Mr. Satish Kumar P<br/><b>SEBI Registration No.</b> INM 000011070</p> | <p>[•]</p>                         |



## DETAILS OF BOARD OF DIRECTORS OF OUR COMPANY

| S. No. | Name              | DIN      | Address  | Designation                            |
|--------|-------------------|----------|--|--|
| 1.     | Mr. Sarang Bhand  | 01633419 | Flat 2401-02, Kshitij Chs Plot-3, Sector 19, Palm Beach Road, Sanpada, Navi Mumbai - 400705. | Managing Director                      |
| 2.     | Mr. Yashas Bhand  | 07118419 | Flat 2401-02, Kshitij Chs Plot-3, Sector 19, Palm Beach Road, Sanpada, Navi Mumbai - 400705. | Whole time Director and CEO            |
| 3.     | Mr. Amit Karia    | 6846654  | 202, Padmalaya Apartment, Pandit Colony, Nashik 422002 (Maharashtra)                         | Independent Director                   |
| 4.     | Mr. Rakesh Mehra  | 00035812 | E-7/720 Arera Colony, Bhopal, Madhya Pradesh 462016  | Independent Director, Chairman         |
| 5.     | Mrs. Janaki Bhand | 07118415 | Flat 2401-02, Kshitij Chs Plot-3, Sector 19, Palm Beach Road, Sanpada, Navi Mumbai - 400705. | Non-Executive Director, Women Director |

*For further details of our Directors, please refer chapter titled “Our Management” beginning on page no. 120 of this Draft Prospectus.*

*Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer, and/or the Lead Manager, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA, etc.*

*All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs where the Application was submitted by the ASBA Applicants.*

*For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.*



## **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 SPONSOR BANKS FOR UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

## **SYNDICATE SCSB BRANCHES**

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 Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

## **REGISTERED BROKERS**

Bidders can submit Bid cum Application Forms in the Offer using the stock-brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

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

## **STATEMENT OF RESPONSIBILITY OF THE LEAD MANAGER/STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Arihant Capital Markets Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.



## CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

## IPO GRADING

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

## EXPERT OPINION

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

Our Company has received written consent dated October 19, 2022 from Peer Review Auditor namely, M/s Jayesh Sanghrajka & Co LLP as Accountants 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.

The Peer Review Auditor M/s Jayesh Sanghrajka & Co LLP has given their expert opinion, as included in this Draft Prospectus, in relation to the Restated Financial Information, the examination report dated August 11<sup>th</sup>, 2023 on the same, and the statement of Special Tax Benefits dated August 11<sup>th</sup>, 2023

Aforementioned consents have not been withdrawn as on the date of this Draft Prospectus.

## DEBENTURE TRUSTEE

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

## APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to Rs. 10,000 Lakh. Since the Issue size is below Rs. 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

## UNDERWRITING AGREEMENT

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting Agreement is dated March 30, 2023. 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 Issue:

| Name, Address, Telephone, Fax, and Email of the Underwriter  | Indicative No. of Equity Shares to be Underwritten | Amount Underwritten (Rs. in Lakh) | % of the Total Issue Size Underwritten |
|--|--|-----------------------------------|--|
| Arihant Capital Markets Limited<br>1011 Solitaire Corporate Park<br>Guru Hargovinji Road<br>Chakala, Andheri East<br>Mumbai – 400 093<br>Tel : 022-42254800; Fax :<br>022-42254880<br>Email<br>:mbd@arihantcapital.com | 25,00,200  | 5,000.40                          | 100.00%                                |

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



## FILING OF DRAFT PROSPECTUS / PROSPECTUS

The Draft Prospectus and the Prospectus shall be filed with BSE Limited (SME Platform), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001, Maharashtra, India.

Pursuant to Regulation 246(1) of the SEBI (ICDR) Regulations, a copy of the Prospectus shall be filed with SEBI through the Lead manager immediately upon filing of the Prospectus with the Registrar of Companies. SEBI however will not issue any observations or comments on the Prospectus so filed with them. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, a copy of the Prospectus shall also be furnished to SEBI in soft copy.

A copy of the Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal [at https://siportal.sebi.gov.in](https://siportal.sebi.gov.in) in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges.

A copy of the Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies – Mumbai.

## CHANGE IN THE AUDITOR DURING LAST 3 YEARS

Changes in the Auditor during last three (3) years as on date of this Draft Prospectus:

| Date of change | From   | To  | Reason for change |
|----------------|--|---|-------------------|
| 20.2.2021      | Sanghrajka & Co. Associates<br>405, Hind Rajasthan Centre, D. S. Phalke Rd., Dadar (C. Rly), Mumbai 400014<br>FRN No. 144815W<br>Email id: <a href="mailto:jaymsanghrajka@gmail.com">jaymsanghrajka@gmail.com</a><br>Peer review No: Nil | Jayesh Sanghrajka & Co. LLP<br>405-408, Hind Rajasthan Building, 95, Dada Saheb Phalke Marg, Dadar East, Mumbai, Maharashtra 400014<br>FRN : 104184W/W100075<br>Email id: <a href="mailto:info@jsandco.in">info@jsandco.in</a><br><a href="#">Peer Review No.:</a> 011963 | Pre-occupation    |

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue 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 Lead Manager, through the Registrar to the Issue, 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 Prospectus.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the Lead Manager have entered into a tripartite agreement on March 30, 2023 with Arihant Capital Markets Limited; the Market Maker for this Issue, duly registered with BSE SME to fulfill the obligations of Market Making:

The Market Maker shall fulfill 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. The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 and SEBI ICDR Regulations and relevant Exchange Circulars requirement for Market Makers on SME platform.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is 600 equity shares; however, the same may be changed by the SME platform of BSE from time to time).
5. In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the BSE and SEBI regarding this matter from time to time.
6. In terms of regulation 261(2) of SEBI ICDR Regulations 2018, The market maker or issuer, in consultation with the lead manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the BSE SME.
7. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings of value less than Rs.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.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
10. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
11. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. 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.

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

13. **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.

**14. 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:

| <b>Issue Size</b>            | <b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b> | <b>Re-Entry threshold for buyquote (including mandatory initial inventory of 5% of the Issue Size)</b> |
|------------------------------|--|--|
| Upto Rs 20 crores            | 25%  | 24%  |
| Rs 20 crores to Rs 50 crores | 20%  | 19%  |
| Rs 50 crores to Rs 80 crores | 15%  | 14%  |
| Above Rs 80 crores           | 12%  | 11%  |

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size upto Rs. 250 crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
- 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. The following spread will be applicable on the SME platform:

| <b>S. No.</b> | <b>Market Price Slab (in Rs.)</b> | <b>Proposed Spread (in % to sale price)</b> |
|---------------|-----------------------------------|---|
| 1             | Upto 50                           | 9   |
| 2             | 50 to 75                          | 8   |
| 3             | 75 to 100                         | 7   |
| 4             | Above 100                         | 6   |

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.



## CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Prospectus, is set forth below:

*(in ₹, except share data)*

|   | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|---|-------------------------------|--------------------------------|
| <b>A AUTHORISED SHARE CAPITAL</b>   |                               |                                |
| 2,00,40,000 Equity Shares of Rs. 10 each  | 20,04,00,000                  |                                |
| 3,00,000 0% Optionally Convertible Preference Shares of Rs.10 each  | 30,00,000                     |                                |
| 1,60,000 0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each  | 16,00,000                     |                                |
| <b>TOTAL</b>  | <b>20,50,00,000</b>           |                                |
| <b>B ISSUED, SUBSCRIBED AND PAID-UP SHARECAPITAL BEFORE THE ISSUE</b>   |                               |                                |
| 51,99,075 Equity shares of Rs.10 each   | 5,19,90,750                   |                                |
| 1,57,632 0% Non-Cumulative Redeemable Preference Shares of Rs. 10 each  | 15,76,320                     |                                |
| <b>TOTAL</b>  | <b>5,35,67,070</b>            |                                |
| <b>C PRESENT ISSUE IN TERMS OF THIS DRAFTPROSPECTUS</b>   |                               |                                |
| Fresh Issue of 25,00,200 Equity Shares <sup>(1)</sup>   | 2,50,02,000                   | 50,00,40,000                   |
| <b>Of Which</b>   |                               |                                |
| 1,30,200 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 200/- per Equity Share reserved as Market Maker portion | 13,02,000                     | 2,60,40,000                    |
| Net Issue to Public of 23,70,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 200/- per Equity Share          | 2,37,00,000                   | 47,40,00,000                   |
| <b>Of Which:</b>  |                               |                                |
| Allocation to Retail Individual Investors of 11,85,000 Equity Shares  | 1,18,50,000                   | 23,70,00,000                   |
| Allocation to Retail Individual Investors of 11,85,000 Equity Shares  | 1,18,50,000                   | 23,70,00,000                   |
| <b>D ISSUED, SUBSCRIBED AND PAID-UP SHARECAPITAL AFTER THE ISSUE</b>  |                               |                                |
| 76,99,275 Equity Shares   |                               | 7,69,92,750                    |
| <b>E SECURITIES PREMIUM ACCOUNT</b>   |                               |                                |
| Before the Issue  |                               | 1,09,47,76,430                 |
| After the Issue   |                               | 1,56,98,14,430                 |

*(1) The Fresh Issue has been authorized by our Board of Directors pursuant to a resolution passed on October 4, 2022 and by our Shareholders pursuant to a special resolution passed on October 18, 2022*

a) Details of changes to our Company's authorised share capital in the last ten years from the date of this Draft Prospectus since incorporation:

| Sr. No. | Date of AGM/EGM resolution | Change in authorized share capital   |
|---------|----------------------------|--|
| 1.      | Incorporation              | The Authorised Share Capital of the Company is Rs. 10,00,000/- divided into 1,00,000 Equity shares of Rs. 10 each amounting to Rs. 10,00,000/-   |
| 2.      | August 23, 2013            | The Authorised Share Capital of the Company is Rs. 45,00,000/- divided into 1,00,000 Equity shares of Rs. 10 each amounting to Rs. 10,00,000/- and 3,00,000 Optionally Convertible Preference shares of Rs. 10 each amounting to Rs. 30,00,000/- and 50,000 Non-Cumulative Redeemable Preference shares of Rs. 10 each amounting to Rs. 5,00,000/- |



|    |                    |  |
|----|--------------------|--|
| 3. | February 29, 2016  | Reclassification of Authorised Share Capital :<br>The Authorised Share Capital of the Company is Rs. 45,00,000/- divided into 40,000 Equity shares of Rs. 10 each amounting to Rs. 4,00,000/- and 3,00,000 Optionally Convertible Preference shares of Rs. 10 each amounting to Rs. 30,00,000/- and 1,10,000 Non-Cumulative Redeemable Preference shares of Rs. 10 each amounting to Rs. 11,00,000/-   |
| 4. | December 16, 2016  | Adoption of new set of MoA as per Companies Act, 2013  |
| 5. | August 7, 2017     | The Authorized Share Capital of the Company is Rs. 50,00,000 divided into 40,000 Equity Shares of Rs.10 each, amounting to Rs. 4,00,000/- and 3,00,000 Optionally Convertible Preference Shares of Rs 10 each amounting to Rs. 30,00,000/- and 1,60,000 -Cumulative Redeemable Preference Shares of Rs 10 each amounting to Rs. 16,00,000/-  |
| 6. | March 23, 2020     | The Authorised share capital of the Company is Rs. 50,00,000 divided into 40,000 Equity Shares of Rs. 10 each amounting to Rs.400,000/-and 2,86,400 Optionally Convertible Preference shares of Rs. 10 each amounting to Rs.28,64,000/- and 1,73,600 Non-Cumulative Redeemable Preference shares of Rs. 10 each amounting to Rs.17,36,000/-.   |
| 7. | May 17, 2021       | The Authorized Share Capital of the Company is Rs. 20,50,00,000 divided into 2,00,40,000 Equity Shares of Rs.10 each, amounting to Rs. 20,04,00,000/- and 3,00,000 Optionally Convertible Preference Shares of Rs 10 each amounting to Rs. 30,00,000/- and 1,60,000 -Cumulative Redeemable Preference Shares of Rs 10 each amounting to Rs. 16,00,000/-  |
| 8. | September 26, 2022 | Revision in MoA w.r.t. Conversion from Private Limited to Public Limited Company.<br>The name of the Company is “Organic Recycling Systems Limited”<br><br>The Authorized Share Capital of the Company is Rs. 20,50,00,000 divided into 2,00,40,000 Equity Shares of Rs.10 each, amounting to Rs. 20,04,00,000/- and 3,00,000 Optionally Convertible Preference Shares of Rs 10 each amounting to Rs. 30,00,000/- and 1,60,000 -Cumulative Redeemable Preference Shares of Rs 10 each amounting to Rs. 16,00,000/- |

## b. Notes to Capital Structure

### Share capital history of our Company

#### (a) History of Equity Share capital of our Company

(i) The following is the history of the Equity Share capital of our Company:

| Date of allotment/ transaction | Number of Equity shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason for/ nature of allotment  | Cumulative number of Equity Shares | Cumulative paid-up Equity Share capital (₹) |
|--------------------------------|----------------------------------|---------------------------------|----------------------------------|-------------------------|--|------------------------------------|---|
| Upon Incorporation             | 10,000                           | 10                              | 10                               | Cash                    | Initial subscription to the Memorandum of Association <sup>1</sup>                     | 10,000                             | 1,00,000                                    |
| December 17, 2008              | 3,750                            | 10                              | 10                               | Cash                    | Private Placement of Equity Shares <sup>2</sup>  | 13,750                             | 1,37,500                                    |
| September 20, 2022             | 41,25,000                        | 10                              | -                                | -                       | Bonus Issue in the ratio of 300:1 <sup>3</sup>   | 41,38,750                          | 4,13,87,500                                 |
| September 21, 2022             | 1,94,700                         | 10                              | 10                               | Conversion              | Conversion of Optionally Convertible Preference Shares into Equity Shares <sup>4</sup> | 43,33,450                          | 4,33,34,500                                 |
| October 3, 2022                | 8,65,625                         | 10                              | 160                              | Conversion              | Conversion of 0.01% Compulsory Convertible Debentures into Equity Shares <sup>5</sup>  | 51,99,075                          | 5,19,90,750                                 |



**1. Initial subscription to the Memorandum of Association**

| Sr. No.      | Name         | No. of Equity Shares |
|--------------|--------------|----------------------|
| 1            | Sarang Bhand | 5,000                |
| 2            | Smita Bhand  | 5,000                |
| <b>Total</b> |              | <b>10,000</b>        |

**2. Private Placement List of Allotees:**

| Sr. No.      | Name of Shareholders / Allotees | No. of Equity Shares |
|--------------|---------------------------------|----------------------|
| 1            | Vipul Jayantilal Modi           | 1,875                |
| 2            | Mahendra Jayantilal Modi        | 937                  |
| 3            | Niketa Mahendra Modi            | 938                  |
| <b>Total</b> |                                 | <b>3,750</b>         |

**3. Bonus issue List of Allotees:**

| Sr. No.      | Name of Shareholders / Allotees | No. of Equity Shares |
|--------------|---------------------------------|----------------------|
| 1            | Sarang Bhand                    | 15,61,800            |
| 2            | Vipul Modi                      | 2,58,900             |
| 3            | Mahendra Modi                   | 1,83,000             |
| 4            | Niketa Modi                     | 1,07,100             |
| 5            | Harish Mehta                    | 3,59,700             |
| 6            | Siddharth Shah                  | 75,000               |
| 7            | Ashok Shah                      | 88,200               |
| 8            | Suhrud Patel                    | 5,43,900             |
| 9            | Pratima Shah                    | 1,13,400             |
| 10           | Siddhi Shah                     | 71,100               |
| 11           | Bhavesh Patel                   | 1,21,200             |
| 12           | Meera Shah                      | 62,400               |
| 13           | Avni Chowgule                   | 24,900               |
| 14           | Ramesh Premraj Marda            | 10,800               |
| 15           | Harish Ramesh Marda             | 4,200                |
| 16           | Smita Johar                     | 25,200               |
| 17           | Sanjay Agrawal                  | 1,19,100             |
| 18           | Praful Mehta                    | 1,95,900             |
| 19           | Kaushal Gandhi                  | 59,100               |
| 20           | Jagruti Shah                    | 49,800               |
| 21           | Rajesh Ajmera                   | 62,400               |
| 22           | Vinaya Manjarekar               | 27,900               |
| <b>Total</b> |                                 | <b>41,25,000</b>     |

**4 Conversion of Optionally Convertible Preference Shares into Equity Shares list of Allotees:**

| Sr. No.      | Name of Shareholders / Allotees           | Type    | No of equity shares |
|--------------|---|---------|---------------------|
| 1            | Niketa Modi                               | Class 2 | 10,215              |
| 2            | Quick Trading & Investment Advisors LLP   | Class 2 | 88,433              |
| 3            | Sunil Equitrade Private Limited           | Class 2 | 20,000              |
| 4            | Ami Realty Developers LLP                 | Class 2 | 6,317               |
| 5            | Manish Modi                               | Class 2 | 8,233               |
| 6            | P & K Steel Tech Private Limited          | Class 2 | 11,424              |
| 7            | Chandrakant U Shah                        | Class 2 | 3,360               |
| 8            | Kusum C Shah                              | Class 2 | 3,360               |
| 9            | Milap C Shah                              | Class 2 | 2,016               |
| 10           | Pratik C Shah                             | Class 2 | 1,344               |
| 11           | Suhrud Patel                              | Class 3 | 25,730              |
| 12           | Ashok Shah                                | Class 3 | 1,403               |
| 13           | Bhavesh Patel                             | Class 3 | 3,509               |
| 14           | Sanjay Agarwal                            | Class 3 | 5,848               |
| 15           | La-Fin Financial Services Private Limited | Class 3 | 3,508               |
| <b>Total</b> |   |         | <b>1,94,700</b>     |



5. Conversion of 0.01% Compulsory Convertible Debentures into Equity Shares list of Allottees:

| Sr.no | Name of Shareholders / Allottees                                 | No of equity shares |
|-------|--|---------------------|
| 1     | Nihir Shah   | 37,500              |
| 2     | Honey Shah   | 18,750              |
| 3     | Rupal Shah   | 18,750              |
| 4     | Saurabh Shah   | 93,750              |
| 5     | Prasad Seth  | 37,500              |
| 6     | Kinjal Gandhi  | 56,250              |
| 7     | Vipul Shah   | 37,500              |
| 8     | Nikita Parekh  | 31,250              |
| 9     | Milan Mehta  | 62,500              |
| 10    | Jignesh Mehta  | 62,500              |
| 11    | Malav Ajmera   | 15,625              |
| 12    | Meera Shah   | 15,625              |
| 13    | Vinaya Manjrekar   | 9,375               |
| 14    | Jayesh Sanghrajka  | 62,500              |
| 15    | Seema Gandhi   | 93,750              |
| 16    | Arjun Chowgule   | 25,000              |
| 17    | Gauri Khan Family Trust  | 1,25,000            |
| 18    | Jaya Chandrakant Gogri jointly with Chandrakant Vallabhaji Gogri | 62,500              |
|       | <b>Total</b>   | <b>8,65,625</b>     |

(ii) The following is the history of the preference share capital of our Company:

| Date of allotment  | Number of Preference Shares | Face value per Preference Shares (₹) | Issue price per Preference Shares (₹) | Nature of consideration | Reason for/ Nature of allotment | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (₹) |
|--|-----------------------------|--------------------------------------|---------------------------------------|-------------------------|---------------------------------|--|---|
| <b>Class-1 Optionally Convertible Preference Shares (“OCPS”)<sup>1</sup></b> |                             |                                      |                                       |                         |                                 |  |   |
| September 23, 2013   | 91,700                      | 10.00                                | 10.00                                 | Cash                    | Private Placement               | 91,700                                 | 9,17,000  |
| <b>Class-2 Optionally Convertible Preference Shares (“OCPS”)<sup>2</sup></b> |                             |                                      |                                       |                         |                                 |  |   |
| September 23, 2013   | 1,54,702                    | 10.00                                | 1,488.02                              | Cash                    | Private Placement               | 2,46,402                               | 24,64,020                                       |
| <b>Class-3 Optionally Convertible Preference Shares (“OCPS”)<sup>2</sup></b> |                             |                                      |                                       |                         |                                 |  |   |
| September 23, 2013   | 25,730                      | 10.00                                | 4,275.17                              | Cash                    | Private Placement               | 2,72,132                               | 27,21,320                                       |
| July, 21, 2014   | 10,760                      | 10.00                                | 4,275.00                              | Cash                    | Private Placement               | 2,82,892                               | 28,28,920                                       |
| July 6, 2015   | 3,508                       | 10.00                                | 4,275.94                              | Cash                    | Private Placement               | 2,86,400                               | 28,64,000                                       |
| <b>Total OCPS (A)<sup>3</sup></b>  |                             |                                      |                                       |                         |                                 | <b>2,86,400</b>                        | <b>28,64,000</b>                                |
| <b>Class-I Non-Cumulative Redeemable Preference Shares (“NCRPS”)</b>         |                             |                                      |                                       |                         |                                 |  |   |
| September 23, 2013   | 50,000                      | 10.00                                | 1000.00                               | Cash                    | Private Placement               | 50,000                                 | 5,00,000  |
| <b>Class-II Non-Cumulative Redeemable Preference Shares (“NCRPS”)</b>        |                             |                                      |                                       |                         |                                 |  |   |
| March 30, 2016   | 39,776                      | 10.00                                | 5,000.00                              | Cash                    | Further allotment               | 39,776                                 | 3,97,760  |
| March 31, 2017   | 15,511                      | 10.00                                | 5,000.06                              | Cash                    | Further allotment               | 55,287                                 | 5,52,870  |
| July 28, 2017  | 2,700                       | 10.00                                | 5,000.00                              | Cash                    | Further allotment               | 57,987                                 | 57,9870   |



| Date of allotment      | Number of Preference Shares | Face value per Preference Shares (₹) | Issue price per Preference Shares (₹) | Nature of consideration | Reason for/ Nature of allotment | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (₹) |
|------------------------|-----------------------------|--------------------------------------|---------------------------------------|-------------------------|---------------------------------|--|---|
| September 6, 2017      | 5,300                       | 10.00                                | 5,000.00                              | Cash                    | Further allotment               | 63,287                                 | 6,32,870  |
| October 6, 2017        | 4,000                       | 10.00                                | 5,000.00                              | Cash                    | Further allotment               | 67,287                                 | 6,72,870  |
| December 28, 2017      | 20,000                      | 10.00                                | 5,000.00                              | Cash                    | Further allotment               | 87,287                                 | 8,72,870  |
| March 30, 2019         | 20,345                      | 10.00                                | 6,000.00                              | Cash                    | Further allotment               | 1,07,632                               | 10,76,320                                       |
| <b>Total NCRPS (B)</b> |                             |                                      |                                       |                         |                                 | <b>1,57,632</b>                        | <b>15,76,320</b>                                |

- Class-1 OCPS have been redeemed on September 21, 2022 which were allotted to Mr. Sarang Bhand (37,700 OCPS) and Mr. Suhas Bhand (54,000 OCPS).
- Class-2 and Class-3 OCPS has been converted into Equity Shares of Rs. 10/- on September 21, 2022.
- As on date there is no Class-1,2 and 3 OCPS (Class 1 redeemed and Class-2 & 3 has been converted into Equity Shares)
- Post the date of restatement, transfer of 16,800 Class 1 NCRPS held by Mr. Mahendra Gupta has been registered by the Company in favour of Mr. Manish Modi.

#### **6. Equity Shares issued for consideration other than cash or out of revaluation reserve**

Except mentioned below, no Equity Shares have been issued by our Company for consideration other than cash as on the date of this Draft Prospectus.

| Date of allotment/ transaction | Number of Equity shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) | Reason for/ Nature of allotment   | Allottees  | Benefits to the Company  |
|--------------------------------|----------------------------------|---------------------------------|----------------------------------|---|--|--|
| September 20, 2022             | 41,25,000                        | 10                              | -                                | Issue of 300 bonus shares for every 1 Equity Share held                               | Existing Shareholders as on September 8, 2022                                    | No Benefits accrued to the Company                                       |
| September 21, 2022             | 1,94,700                         | 10                              | 10                               | Conversion of Class-2 and Class-3 Optionally Convertible Preference Shares (OCPS)     | Existing Class-2 and Class-3 Optionally Convertible Preference Shares (OCPS)     | No Benefits accrued to the Company                                       |
| October 3, 2022                | 8,65,625                         | 10                              | 160                              | Conversion of 0.01% Compulsory Convertible Debentures into Equity Shares <sup>^</sup> | Existing 0.01% Compulsory Convertible Debentures into Equity Shares <sup>^</sup> | No incremental Benefits accrued to the Company at the time of conversion |



## 7. History of Build-up, Contribution and Lock-in of Promoters' Shareholding

As on the date of this Draft Prospectus, our Promoter holds 15,67,006 Equity Shares, constituting 30.14% of the issued, subscribed and paid-up equity share capital of our Company. The details of the build-up of the equity shareholding of our Promoter in our Company is as follows:

| Name of the Promoter | Date of allotment/ transfer and when the Equity Shares were made fully paid Up | Number of equity shares | Cumulative Holding | Face value (₹) | Issue price per equity share (₹) | Nature of consideration | Nature of transaction                                   | % of pre-Issue capital | % of post-Issue capital |
|----------------------|--|-------------------------|--------------------|----------------|----------------------------------|-------------------------|---|------------------------|-------------------------|
| Sarang Bhand         | Upon Incorporation   | 5,000                   | 5,000              | 10             | 10.00                            | Cash                    | Initial subscription to the MoA                         | 0.096                  | -                       |
|                      | December 15, 2008  | (4,500)                 | 500                | 10             | 10.00                            | Cash                    | Transfer  | 0.09                   | -                       |
|                      | March 30, 2012   | 4,500                   | 5,000              | 10             | 10.00                            | Cash                    | Purchase  | 0.09                   | -                       |
|                      | July 30, 2021  | 206                     | 5,206              | 10             | 10                               | Gift                    | Gift of shares from Smita Bhand                         | 0.00                   | -                       |
|                      | September 20, 2022   | 15,61,800               | 15,67,006          | 10             | -                                | Bonus                   | Issue of 300 bonus shares for every 1 Equity Share held | 30.04                  | 20.35                   |
|                      | <b>Sub Total(A)</b>  | <b>15,67,006</b>        | <b>15,67,006</b>   |                |                                  |                         |   | <b>30.14</b>           | <b>20.35</b>            |

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus no Equity Shares held by Mr. Sarang Bhand are pledged

## 8. Shareholding of our Promoter and Promoter Group

Details of the Equity Shares held by our Promoter and members of the Promoter Group as on the date of this Draft Prospectus are as follows:

| Sr. No.                   | Name of the shareholder | Pre-Issue               |                | Post-Issue              |                |
|---------------------------|-------------------------|-------------------------|----------------|-------------------------|----------------|
|                           |                         | Number of Equity Shares | Percentage (%) | Number of Equity Shares | Percentage (%) |
| <b>(A) Promoters</b>      |                         |                         |                |                         |                |
| 1.                        | Sarang Bhand            | 15,67,006               | 30.14%         | 15,67,006               | 20.35%         |
|                           | <b>Sub-total (A)</b>    | <b>15,67,006</b>        | <b>30.14%</b>  | <b>15,67,006</b>        | <b>20.35%</b>  |
| <b>(B) Promoter Group</b> |                         |                         |                |                         |                |
|                           | <b>Sub-total (B)</b>    | -                       | -              | -                       | -              |
| <b>Total (A+B)</b>        |                         | <b>15,67,006</b>        | <b>30.14%</b>  | <b>15,67,006</b>        | <b>20.35%</b>  |

## 9. Details of Promoters' contribution locked in for three years

Pursuant to Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue paid up capital of our Company held by our Promoter, shall be considered as the minimum Promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**") and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Promoters' Contribution would be created as per applicable law and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Our Promoters have consented to the inclusion of such number of Equity Shares held by them, in aggregate, as may constitute





20% of the post-Issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing of this Draft Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations. Details of the Promoters' Contribution are as provided below:

| Date of allotment of the Equity Shares | Nature of Allotment | Number of Equity Shares | Face value (₹) | Issue / acquisition/transfer price per Equity Share(₹)# | Nature of consideration | Percentage of Pre-Offer Equity Share Capital (%) | Percentage of Post-Offer Equity Share Capital (%) |
|--|---------------------|-------------------------|----------------|---|-------------------------|--|---|
| <b>Sarang Bhand</b>                    |                     |                         |                |   |                         |  |   |
| September 20, 2022                     | Bonus (300:1)       | 15,39,855               | 10             | Nil   | Nil                     | 29.62%   | 20.00%  |
|  |                     | <b>15,39,855</b>        | 10             |   |                         | <b>29.62%</b>                                    | <b>20.00%</b>                                     |

The Promoters' Contribution has been brought into the extent of not less than the specified minimum lot and from persons defined as 'promoters', as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution under the SEBI ICDR Regulations. In this computation, as per Regulation 15 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transactions; or (b) arising from bonus shares out of revaluation reserves or unrealized profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;
- Equity Shares acquired during the one year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue; and
- Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- Our Company has not been formed by the conversion of a partnership firm into a company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm.
- All the Equity Shares held by the Promoters are held in dematerialized form.

#### 10. Details of share capital locked-in for one year:

Except for the Promoters' Contribution, which shall be locked-in as above, the entire pre-Issue capital of our Company shall be locked in for a period of one year from the date of Allotment.

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

The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. Provided that such 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 has expired.

The Equity Shares held by the Promoters and subject to lock-in may be transferred to and among the Promoters, members of the Promoter Group or to any new promoter, subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

Further, in terms of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue and subject to lock-in, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI Takeover Regulations, as applicable.



## 12. Shareholding Pattern of our Company

The table below presents the equity shareholding of our Company as on date of this Draft Prospectus in the format as prescribed under Regulation 33 of the SEBI Listing Regulations:

| Category (I) | Category of shareholder (II)   | Nos. of shareholders (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V) + (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |                         | No. of Shares underlying outstanding convertible securities (including Warrant) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage Of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of locked in shares (XII) |                                 | Number of Shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) |
|--------------|--------------------------------|----------------------------|--|--|---|--|---|---|-------------------------|---|--|----------------------------------|---------------------------------|---|---|
|              |                                |                            |  |  |   |  |   | No of voting rights   |                         |   |  | No. (a)                          | As a % of total Shares held (b) |   |   |
|              |                                |                            |  |  |   |  |   | Class - Equity Shares   | Total as a % of (A+B+C) |   |  |                                  |                                 |   |   |
| (A)          | Promoter and Promoter Group    | 1                          | 15,67,006                                    | -  | -   | 15,67,006                                      | 30.14   | 15,67,006   | 30.14                   | -   | 30.14  | -                                | -                               | -   | 15,67,006   |
| (B)          | Public                         | 47                         | 36,32,069                                    |  |   | 36,32,069                                      | 69.86   | 36,32,069   | 69.86                   |   | 69.86  | -                                | -                               | -   | 36,32,069   |
| (C)          | Non-Promoter-Non Public        |                            |  |  |   |  |   |   |                         |   |  |                                  |                                 |   |   |
| (C 1)        | Shares underlying gDRs         | -                          | -  | -  | -   | -  | -   | -   | -                       | -   | -  | -                                | -                               | -   | -   |
| (C 2)        | Shares held by Employee Trusts | -                          | -  | -  | -   | -  | -   | -   | -                       | -   | -  | -                                | -                               | -   | -   |
|              | <b>Total</b>                   | 48                         | 51,99,075                                    | -  | -   | 51,99,075                                      | 100.00  | 51,99,075   | 100.00                  |   | 100.00   | -                                | -                               | -   | 51,99,075   |

Our Company will file the shareholding pattern, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before the commencement of trading of the Equity Shares.



### Shareholding of our Directors and/or Key Management Personnel

Except as set forth below, none of our Director hold any Equity Shares as on the date of this Draft Prospectus.

| Sr. No. | Name of the Director | Pre-Issue               |                | Post-Issue              |               |
|---------|----------------------|-------------------------|----------------|-------------------------|---------------|
|         |                      | Number of Equity Shares | Percentage (%) | Number of Equity Shares | Percentage(%) |
| 1.      | Sarang Bhand         | 15,67,006               | 30.14%         | 15,67,006               | 20.35%        |

None of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Prospectus.

**13. As on date of this Draft Prospectus, our Company has 49 Shareholders.**

**14. Equity Shares held by the Shareholders holding 1% or more of the paid-up capital of our Company:**

(a) As on date of this Draft Prospectus, our Company has 49 Equity Shareholders.

| Sr. No. | Name of the Shareholder  | Number of Equity Shares Held | Percentage (%) of Pre-Issue Capital |
|---------|--|------------------------------|-------------------------------------|
| 1       | Sarang Bhand   | 1567006                      | 30.14                               |
| 2       | Vipul Modi   | 259763                       | 5.00                                |
| 3       | Mahendra Modi  | 183610                       | 3.53                                |
| 4       | Niketa Modi  | 117672                       | 2.26                                |
| 5       | Harish Mehta   | 360899                       | 6.94                                |
| 6       | Siddharth Shah   | 75250                        | 1.45                                |
| 7       | Ashok Shah   | 89897                        | 1.73                                |
| 8       | Suhrud Patel   | 571443                       | 10.99                               |
| 9       | Pratima Shah   | 113778                       | 2.19                                |
| 10      | Siddhi Shah  | 71337                        | 1.37                                |
| 11      | Bhavesh Patel  | 125113                       | 2.41                                |
| 12      | Meera Shah   | 78233                        | 1.50                                |
| 13      | Sanjay Agrawal   | 125345                       | 2.41                                |
| 14      | Praful Mehta   | 196553                       | 3.78                                |
| 15      | Kaushal Gandhi   | 59297                        | 1.14                                |
| 16      | Rajesh Ajmera  | 62608                        | 1.20                                |
| 17      | Quick Trading and Investment Advisors LLP                        | 88433                        | 1.70                                |
| 18      | Jayesh Sanghrajka  | 62500                        | 1.20                                |
| 19      | Kinjal Gandhi  | 56250                        | 1.08                                |
| 20      | Seema Gandhi   | 93750                        | 1.80                                |
| 21      | Jignesh Mehta  | 62500                        | 1.20                                |
| 22      | Saurabh Shah   | 93750                        | 1.80                                |
| 23      | Gauri Khan Family Trust  | 125000                       | 2.40                                |
| 24      | Milan Mehta  | 62500                        | 1.20                                |
| 25      | Jaya Chandrakant Gogri jointly with Chandrakant Vallabhaji Gogri | 62,500                       | 1.20                                |
|         | <b>Total</b>   | <b>47,64,987</b>             | <b>91.65</b>                        |

(b) The Shareholders holding 1% or more of the paid-up capital of our Company 10 days prior to filing of this Draft Prospectus were as follows:

| Sr. No. | Name of the Shareholder | Number of Equity Shares Held | Percentage (%) of Pre-Issue Capital |
|---------|-------------------------|------------------------------|-------------------------------------|
| 1.      | Sarang Bhand            | 1567006                      | 30.14                               |
| 2.      | Vipul Modi              | 259763                       | 5.00                                |
| 3.      | Mahendra Modi           | 183610                       | 3.53                                |
| 4.      | Niketa Modi             | 117672                       | 2.26                                |
| 5.      | Harish Mehta            | 360899                       | 6.94                                |



| Sr. No. | Name of the Shareholder  | Number of Equity Shares Held | Percentage (%) of Pre-Issue Capital |
|---------|--|------------------------------|-------------------------------------|
| 6.      | Siddharth Shah   | 75250                        | 1.45                                |
| 7.      | Ashok Shah   | 89897                        | 1.73                                |
| 8.      | Suhrud Patel   | 571443                       | 10.99                               |
| 9.      | Pratima Shah   | 113778                       | 2.19                                |
| 10.     | Siddhi Shah  | 71337                        | 1.37                                |
| 11.     | Bhavesh Patel  | 125113                       | 2.41                                |
| 12.     | Meera Shah   | 78233                        | 1.50                                |
| 13.     | Sanjay Agrawal   | 125345                       | 2.41                                |
| 14.     | Praful Mehta   | 196553                       | 3.78                                |
| 15.     | Kaushal Gandhi   | 59297                        | 1.14                                |
| 16.     | Rajesh Ajmera  | 62608                        | 1.20                                |
| 17.     | Quick Trading and Investment Advisors LLP                        | 88433                        | 1.70                                |
| 18.     | Jayesh Sanghrajka  | 62500                        | 1.20                                |
| 19.     | Kinjal Gandhi  | 56250                        | 1.08                                |
| 20.     | Seema Gandhi   | 93750                        | 1.80                                |
| 21.     | Jignesh Mehta  | 62500                        | 1.20                                |
| 22.     | Saurabh Shah   | 93750                        | 1.80                                |
| 23.     | Gauri Khan Family Trust  | 125000                       | 2.40                                |
| 24.     | Milan Mehta  | 62500                        | 1.20                                |
| 25.     | Jaya Chandrakant Gogri jointly with Chandrakant Vallabhaji Gogri | 62,500                       | 1.20                                |
|         | <b>Total</b>   | <b>47,64,987</b>             | <b>91.65</b>                        |

(c) The Shareholders holding 1% or more of the paid-up capital of our Company one year prior to the date of filing of this Draft Prospectus were as follows:

| Sr. No. | Name of the Shareholder | Number of Equity Shares Held | Percentage (%) of Pre-Issue Capital |
|---------|-------------------------|------------------------------|-------------------------------------|
| 1       | Sarang Bhand            | 5,206                        | 37.86                               |
| 2       | Smita Bhand             | 294                          | 2.14                                |
| 3       | Vipul Modi              | 2,062                        | 15.00                               |
| 4       | Leena Modi              | 2,063                        | 15.00                               |
| 5       | Mahendra Modi           | 2,062                        | 15.00                               |
| 6       | Niketa Modi             | 2,063                        | 15.00                               |
|         | <b>Total</b>            | <b>13,750</b>                | <b>100.00</b>                       |

(d) The Shareholders holding 1% or more of the paid-up capital of our Company two years prior to the date of filing of this Draft Prospectus were as follows:

| Sr. No. | Name of the Shareholder | Number of Equity Shares Held | Percentage (%) of Pre-Issue Capital |
|---------|-------------------------|------------------------------|-------------------------------------|
| 1       | Sarang Bhand            | 5,000                        | 36.36                               |
| 2       | Smita Bhand             | 500                          | 3.64                                |
| 3       | Vipul Modi              | 2,062                        | 15.00                               |
| 4       | Leena Modi              | 2,063                        | 15.00                               |
| 5       | Mahendra Modi           | 2,062                        | 15.00                               |
| 6       | Niketa Modi             | 2,063                        | 15.00                               |
|         | <b>Total</b>            | <b>13,750</b>                | <b>100.00</b>                       |

#### 15. Employee Stock Option Scheme :

Issuer has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this draft prospectus.

16. Our Company, our Directors and the LM have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares from any person.



17. As on the date of filing of this Draft Prospectus, the LM or their respective associates, determined as per the definition under SEBI (Merchant Bankers) Regulations, 1992, do not hold any Equity Shares. The LM and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.
18. Our Company has not issued any Equity Shares out of revaluation reserves.
19. Our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under sections 391 to 394 of the Companies Act, 1956 or sections 230 to 234 of the Companies Act, 2013, as applicable.
20. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Prospectus.
21. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Prospectus.
22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Prospectus with SEBI/stock exchange until the Equity Shares have been listed on the Stock Exchanges or refund of application moneys.
23. Over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot while finalising the Basis of Allotment.
24. Except for the bonus shares, neither our Promoter, nor any of the members of our Promoter Group, our Directors, or their relatives have purchased or sold any securities of our Company, during a period of six months preceding the date of filing the Draft Prospectus.
25. Our Promoters and the members of our Promoter Group will not participate in the Issue.
26. There have been no financing arrangements whereby the Promoter Group, the Directors or their relatives have financed the purchase of our Equity Shares by any other person 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 Prospectus.
27. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus or rights or further public issue of Equity Shares or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company has not made any public issue or rights issue of any kind or class of securities in the last ten years.
30. Except for the bonus shares and the conversion of OCPS/CCDs, our Company has not issued any Equity Shares in the last one year preceding the date of filing of this Draft Prospectus, which may have been issued at a price that is lower than the Issue Price.



## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The present Issue comprises of Fresh Issue of 25,00,200 Equity Shares of our Company at an Issue Price of Rs. 200 per Equity Share.

The details of the proceeds of the Issue are summarized below:

| Particulars                   | Amounts (Rs. in Lakhs) |
|-------------------------------|------------------------|
| Gross Proceeds from the Issue | 5000.40                |
| Less: Issue related expenses  | [•]                    |
| Net Proceeds of the Issue     | [•]                    |

### Requirement of Funds

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

1. Reduction of the aggregate outstanding borrowings of our Company
2. Towards general corporate purposes

In addition to the aforementioned objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on BSE SME, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers.

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our company is engaged in the business of providing engineering services focused on environmental solutions and provides waste management solutions across waste types and across the value chain. Our Company has been providing sustainable waste management solutions in India since 2008. Incorporated by technocrats our focus primarily has been on developing robust, cost effective & environment friendly technologies that are simple to operate. We have proven technology and capability of successfully running a Waste to Energy (WTE) plant developed on the back of anaerobic biomenthanation technology.

The main object clause and the ancillary object clause of the Memorandum of Association of our Company enables us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

### Utilization of Net Issue Proceeds

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

| Particulars  | Estimated Amount (Rs. lakhs) | % of gross IPO proceeds | % of net IPO proceeds |
|--|------------------------------|-------------------------|-----------------------|
| Reduction of the aggregate outstanding borrowings of our Company | 3750.40                      | 75.00%                  | [•]                   |
| General Corporate Purpose #                                      | [•]                          | [•]                     | [•]                   |
| Total  | [•]                          | [•]                     | [•]                   |

#The amount utilized for general corporate purpose does not exceed 25% of the gross proceeds of the Issue.



## SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE PROCEEDS OF THE IPO

(Rs. in lakhs)

| Particulars  | FY 2022-23 | FY 2023-24 | Total   |
|--|------------|------------|---------|
| Reduction of the aggregate outstanding borrowings of our Company | 3750.40    | -          | 3750.40 |
| General Corporate Purpose  | [●]        | [●]        | [●]     |
| Issue Expenses   | [●]        | [●]        | [●]     |
| Total  | [●]        | [●]        | [●]     |

### Means of Finance:

The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified or appraised by any bank, financial institution or any other external agency. They are based on current requirements of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds, our management may explore a range of options including utilising our internal accruals or seeking debt financing

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement 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 Issue as required under the SEBI (ICDR) Regulations.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the chapter titled "**Risk Factors**" beginning on page no. 17 of this Draft Prospectus.

### Details of the use of the proceeds

#### 1. Reduction of the aggregate outstanding borrowings of our Company

Our Company has availed loans in the ordinary course of business for the purposes including but not limited to meeting working capital requirements, financing capital expenditure, meeting vehicle loan requirements, etc.

Our Company proposes to utilize an aggregate amount of Rs. 3750.40 lakhs from the Net Proceeds towards reduction of the aggregate outstanding borrowings of our Company. The selection of borrowings proposed to be prepaid, repaid (earlier or scheduled) out of the borrowings provided above, shall be based on various factors including (i) any conditions attached to



the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds of the Fresh Issue.

Given the nature of these borrowings and the terms of repayment/ pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down prior to the completion of the Issue, we may utilize Net Proceeds towards repayment/ pre-payment of such additional indebtedness.

The repayment or pre-payment will help reduce our outstanding indebtedness and debt servicing costs on a consolidated basis, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, we believe that the debt-to-equity ratio of our Company on a consolidated basis will improve enabling us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The following table sets forth details of certain borrowings availed by our Company, on a consolidated basis, which our Company plans to prepay or repay:

| Sr. No. | Name of the lender                         | Outstanding amount to be repaid as at 10 <sup>th</sup> August, 2023<br>(in Rs. lakhs) | Repayment date / Schedule | Interest rate as at 10 <sup>th</sup> August, 2023 | Nature of the loan      | Purpose of the loan                  | Security  |
|---------|--|---|---------------------------|---|-------------------------|--------------------------------------|-----------|
| 1.      | Horizon Impex Private Limited              | 1,000.00  | On or before 30.04.2024   | 13.5% p.a.  | Inter-corporate deposit | Meeting working capital requirements | Unsecured |
| 2.      | Aegis Warehousing Services Private Limited | 2,528.80  | On or before 31.03.2028   | 12% p.a.  | Inter-corporate deposit |                                      | Unsecured |
| 3.      | Prash Builders Private Limited             | 221.60  | On or before 31.03.2028   | 6% p.a.   | Inter-corporate deposit |                                      | Unsecured |
|         | <b>Total</b>                               | <b>3,750.40</b>   |                           |   |                         |                                      |           |

There are no pre-payment penalty clauses in any of the above borrowings. The auditor has certified *vide* his letter dated August 11, 2023 that the aforementioned borrowings have been deployed by the Company for the purposes mentioned in their respective agreement /sanction letter of such borrowings.

## 2. Towards general corporate purposes

In terms of the SEBI (ICDR) Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the proceeds of the gross issue.

Our management will have flexibility in applying Rs. [●] of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies, acquisition of businesses, etc. or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business





requirements of our Company from time to time.

### Public Issue Expense

The estimated Issue related expenses include Issue Management Fee, Marketing Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Advisor's Fee, Advertisement Expenses, Registrar's Fees, Depository Fee, Stock Exchange charges and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows

| Particulars   | Expenses | % in Total Issue of expense | % of Total Issue Size |
|---|----------|-----------------------------|-----------------------|
| Payment to the Lead Manager (including underwriting fees)                                   | [●]      | [●]                         | [●]                   |
| Marketing Expenses  | [●]      | [●]                         | [●]                   |
| Market Making Fees  | [●]      | [●]                         | [●]                   |
| Fees payable to Registrar to the Issue  | [●]      | [●]                         | [●]                   |
| Fees to the legal advisor   | [●]      | [●]                         | [●]                   |
| Advertising expenses  | [●]      | [●]                         | [●]                   |
| Fees payable to regulators including stock exchanges  | [●]      | [●]                         | [●]                   |
| Printing and distribution expenses  | [●]      | [●]                         | [●]                   |
| Payment to Sponsor Bank   | [●]      | [●]                         | [●]                   |
| Others, if any (including commission, upload and processing fees for SCSBs <sup>(1)</sup> ) | [●]      | [●]                         | [●]                   |
| Total   | [●]      | [●]                         | [●]                   |

<sup>(1)</sup> SCSBs will be entitled to a processing fee of Rs. [●] per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.

Selling commission payable to Registered brokers, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be [●]% on the Allotment Amount# or Rs. [●] whichever is less on the Applications wherein shares are allotted.

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries along with the requisite supporting details.

#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

### Funds Deployed and Sources of Funds Deployed

As on the date of the Draft Prospectus, our Company has incurred following expenditure towards/ the Objects of Issue

| Serial                     | Particulars    | Amount (Rs. in lakhs) |
|----------------------------|----------------|-----------------------|
| <b>DEPLOYMENT OF FUNDS</b> |                |                       |
| 1                          | Issue expenses | 27.58                 |
|                            | <b>Total</b>   | <b>27.58</b>          |
| <b>SOURCES OF FUNDS</b>    |                |                       |
| 1                          | Own Funds      | 27.58                 |
|                            | <b>Total</b>   | <b>27.58</b>          |



### **Appraisal by Appraising Agency**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals.

### **Bridge Financing Facilities**

As of the date of this Draft Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

As the size of the Fresh Issue does not exceed Rs. 10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulation, 2015 our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed Company or for any investment in the equity markets or investing in any real estate product or real estate linked products.



### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, 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 a postal ballot. Further, 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 applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI Regulations, in this regard.

### **Other Confirmations**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.



## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company, in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares offered in the Issue and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 20 times the face value. Investors to see “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” beginning on page no. 86, 17 and 142 respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- 1) A leading service provider in MSW management sector focusing on processing and disposal of MSW
- 2) Patented technological capabilities for providing customized solutions to end customers
- 3) Strong track record of project execution
- 4) Experienced Promoters and Management Team with Strong Domain Expertise along with strong technical capabilities and data driven approach enabling the company to capitalize on the huge growth potential in the MSW space.

For further details, see “*Our Business*” beginning on page no. 86.

### Quantitative Factors

Certain information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, see “*Financial Statements*” beginning on page no. 142.

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

#### 1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital:

As per Restated Consolidated Financial Statements

| Fiscal Year ended       | Basic EPS (Rs.) | Diluted EPS (Rs) | Diluted EPS with capital as on the date of Draft Prospectus (Rs.) <sup>(3)</sup> | Weight |
|-------------------------|-----------------|------------------|--|--------|
| March 31, 2023          | 7.83            | 7.83             | 7.83   | 3      |
| March 31, 2022          | (12.93)         | (12.09)          | (12.09)  | 2      |
| March 31, 2021          | (10.86)         | (10.15)          | (10.15)  | 1      |
| <b>Weighted Average</b> | <b>(2.20 )</b>  | <b>(1.81)</b>    | <b>(1.81)</b>  |        |

Notes:

- (1)  $Basic\ earnings\ per\ share\ (\text{₹}) = \frac{Net\ profit / (loss)\ after\ tax\ attributable\ to\ equity\ shareholders,\ as\ restated}{Weighted\ average\ number\ of\ equity\ shares\ outstanding\ during\ the\ period}$
- (2)  $Diluted\ earnings\ per\ share\ (\text{₹}) = \frac{Net\ profit / (loss)\ after\ tax\ attributable\ to\ equity\ shareholders,\ as\ restated}{Weighted\ average\ number\ of\ diluted\ equity\ shares\ outstanding\ during\ the\ period}$
- (3)  $Diluted\ earnings\ per\ share\ (\text{₹}) = \frac{Net\ profit / (loss)\ after\ tax\ attributable\ to\ equity\ shareholders\ as\ restated}{Weighted\ average\ number\ of\ diluted\ equity\ shares\ outstanding\ as\ on\ date\ of\ Draft\ Prospectus}$
- (4) *EPS calculation is in accordance with the Accounting Standard (AS 20) 'Earnings per share' prescribed by the Companies (Accounting Standard) Rules, 2021.*



## 2. Price/Earning (“P/E”) ratio in relation to Price of ₹ 200 per Equity Share:

| Particulars   | P/E at the Issue Price<br>(number of times) |
|---|---|
| Based on basic EPS for the yearended March 31, 2022 on a consolidated basis   | Negative                                    |
| Based on diluted EPS for the yearended March 31, 2022 on a consolidated basis   | Negative                                    |
| Based on diluted EPS with capital as on the date of Draft Prospectus for the yearended March 31, 2022 on a consolidated basis | Negative                                    |
| Based on basic EPS for the yearended March 31, 2023 on a consolidated basis   | 25.54                                       |
| Based on diluted EPS for the yearended March 31, 2023 on a consolidated basis   | 25.54                                       |
| Based on diluted EPS with capital as on the date of Draft Prospectus for the year ended March, 2023 on a consolidated basis   | 25.54                                       |

## 3. Average Return on Net Worth in the preceding three years (“RoNW”)

As per the Restated Financial Statements:

| Fiscal Year ended       | RoNW<br>%    | Weight |
|-------------------------|--------------|--------|
| March 31, 2023          | <b>14.33</b> |        |
| March 31, 2022          | (66.15)      | -      |
| March 31, 2021          | (33.24)      | -      |
|                         |              | -      |
| <b>Weighted Average</b> | -            |        |

Notes:

- (1) Return on net worth (%) = Net profit after tax attributable to equity shareholders, as restated / Net worth, as restated, at year end.
- (2) 'Net Worth' includes Equity share capital and Other equity (Securities premium, general reserve, capital reserve, equity component of compound financial instrument and surplus in the Restated AS Consolidated Summary Statement of Profit and Loss).

## 4. Net Asset Value per Equity Share of face value of ₹ 10 each (as adjusted for changes in capital)

| Net Asset Value per Equity Share  | Consolidated (₹)          |
|---|---------------------------|
| As on March 31, 2023  | 49.05                     |
| As on March 31, 2022  | 5,882.61                  |
| After the Issue   |                           |
| -At Issue Price *   | 98.06                     |
|   |                           |
| Share Capital as on March 31, 2023                                      | 535.67 Lakhs              |
| Public Issue (25,00,200 Shares)   | 250.02 Lakhs              |
| <b>Total Share Capital Post Issue (A)</b>                               | <b>785.69 Lakhs</b>       |
| Reserves & Surplus as on March 31, 2023                                 | 2,014.40 Lakhs            |
| Premium on Public Issue ( 25,00,200 Shares at a premium of Rs 190 each) | 4,750.38 Lakhs            |
| <b>Total Reserves &amp; Surplus Post Issue (B)</b>                      | <b>6,764.78 Lakhs</b>     |
| <b>Total Net Worth Post Issue (A+ B) (C)</b>                            | <b>7,550.47 Lakhs</b>     |
| <b>No of Equity Shares O/s Post Issue (D)</b>                           | <b>76,99,275 Shares</b>   |
| <b>NAV per share Post Issue (C/D*10^5)</b>                              | <b>Rs 98.06 per share</b> |

Notes:

- (1) Net Asset Value per Equity Share = 
$$\frac{\text{Net worth, as restated, at the end of the period}}{\text{Weighted average number of equity shares outstanding as on respective period}}$$

## 5. Comparison of Accounting Ratios with Listed Industry Peers



We believe there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

## 6. The Issue Price is 20 times of the face value of the Equity Shares.

The Issue Price of ₹ 200 per Equity Share has been determined by our Company, in consultation with the Lead Managers, on the basis of assessment of market demand from investors for Equity Shares and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” beginning on page no. 17, 86, 210 and 142 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to factors mentioned in “Risk Factors” beginning on page no. 17 and you may lose all or part of your investments.

## 7. Key Performance Indicators

Set forth below are details as of and for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 along with appropriate explanation of the KPIs material to our business, as identified by our Company as would have a bearing upon the basis for the Issue Price. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our business in comparison to our peers.

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 (3) years period prior to the date of filing of the Draft Prospectus.

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 utilisation of the proceeds of the Fresh Issue as per the disclosure made in section “Objects of the Issue”, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs included herein have been approved by the Audit Committee in its meeting dated August 4, 2023. Additionally, the KPIs have been certified by way of certificate dated August 11, 2023, issued by M/s. Jayesh Sanghrajka & Co. LLP, Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated August 11, 2023 issued by M/s. Jayesh Sanghrajka & Co. LLP, Chartered Accountants has been included in “Material Contracts and Documents for Inspection – Material Documents” on page 316.

| Particulars                             | FY 2022-23 | FY 2021-2022 | FY 2020-2021 | CAGR   |
|---|------------|--------------|--------------|--------|
| Revenue from Operations<br>(₹ in lakhs) | 2,471.93   | 1,461.37     | 1,252.38     | 40.49% |
| EBITDA (₹ in lakhs)                     | 1,149.45   | 214.08       | 326.89       | 87.52% |
| EBITDA Margin (%)                       | 46.50%     | 14.65%       | 26.10%       |        |
| PAT (₹ in lakhs)                        | 365.38     | (534.65)     | (449.22)     | N.A.   |
| PAT Margin (%)                          | 14.78%     | (36.59%)     | (35.87%)     |        |
| RoE (%)                                 | 21.76%     | (49.67%)     | (28.64%)     |        |
| RoCE (%)                                | 13.06%     | 3.91%        | 5.41%        |        |

### Notes:

- “EBITDA” and “EBITDA margin” are Non-GAAP financial measures. EBITDA refers to our restated profit for the year/period, as adjusted to exclude (i) depreciation and amortization expenses, (ii) finance costs and (iii) total tax expenses. EBITDA Margin refers to the percentage margin derived by dividing EBITDA by revenue from operations.
- “RoE” means return on equity, which represents Profit after tax during the relevant year / period divided by Average Equity. Average equity is calculated as average of opening and closing balance of total equity for the year / period.



- “RoCE” means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year/period as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year/period.

Explanation for the KPIs regarding usage by management to historically analyze, track and monitor the operational and/or financial performance of the Company:

| <b>KPI</b>              | <b>Description</b>   |
|-------------------------|--|
| Revenue from operations | Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company   |
| EBITDA                  | EBITDA provides information regarding the operational efficiency of the business and is considered by the management as an important element to monitor business growth in absolute term irrespective of the sales mix.  |
| EBITDA Margin           | EBITDA Margin is an indicator of the operational profitability and financial performance of our business. However, the same is not used to assess year-on-year performance since the margin is greatly affected by the sales mix as explained in the KPI of quantity sold and processed. |
| PAT                     | Profit after tax provides information regarding the overall profitability of the business from all the segments explained above.   |
| PAT margin              | PAT Margin is an indicator of the overall profitability and financial performance of our business in reference to the turnover.  |
| RoE                     | RoE provides how efficiently our Company generates profits from shareholders' funds  |
| RoCE                    | RoCE provides how efficiently our Company generates earnings from the capital employed in the business   |

We shall continue to disclose these KPIs, atleast on an annual basis, for a duration that is at least the later of (i) one (1) year after the listing date; or (ii) till the utilization of the issue proceeds disclosed in the Objects of the Issue section of the Draft Red Herring Prospectus. We confirm that the ongoing KPIs would be certified by the Statutory Auditor of our Company.



## STATEMENT OF SPECIAL TAX BENEFITS

To,  
The Board of Directors  
**Organic Recycling Systems Limited**  
*(formerly known as Organic Recycling Systems Private Limited)*  
–1003, 10<sup>th</sup> Floor, The Affaires  
Plot no. 9, Sector no 17,  
Sanpada, Navi Mumbai – 400705.

**Proposed Initial Public Offering of the equity shares of face value of Rs. 10 each of Organic Recycling Systems Limited (the “Issuer” or the “Company” and such offering, the “Offer” or the “Issue”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’).**

1. This report is issued in accordance with the terms of our engagement letter dated August 4, 2023.
2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders and “Solapur Bio-energy Systems Private Limited ” & “Organic Waste India Private Limited” (referred as “material subsidiary”) (hereinafter referred to as “the Statement”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022 (hereinafter referred to as the “Indian Income Tax Regulations”) has been prepared by the management of the Company in connection with the proposed offer, which has been attached with this certificate.

### **Management’s Responsibility**

The preparation of this Statement as of March 31, 2023 which is to be included in the Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on August 11, 2023 for the purpose set out in paragraph 9 below. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities

### **Auditor’s Responsibility**

Our work has been carried out in accordance with Standards on Auditing, the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the ‘SEBI ICDR Regulations’) and the Companies Act 2013 (‘Act’), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of March 31, 2023 to the Company, the shareholders and material subsidiary of the Company, in accordance with the Indian Income Tax Regulations as at the date of our report.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offering.

### **Inherent Limitations**

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or material subsidiary fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders or material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is 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 Issue.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Income Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

### **Opinion**

In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of March 31, 2023, to the Company and its shareholders and material subsidiary, in accordance with the Income Tax Regulations as at the date of our report.

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

- (i) The Company or its shareholders or material subsidiary will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

### **Restriction on Use**

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and BSE Limited and Registrar of Companies, Maharashtra at Mumbai. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

### **For Jayesh Sanghrajka & Co LLP**

*Chartered Accountants*

Firm Registration No. 104184W/W100075

### **Pritesh Bhagat**

*Partner*

Membership No.: 144424

**UDIN** 23144424BGRNMC5705

Place: Mumbai

Date: August 11, 2023



## **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT TAX LAWS**

### **A. Direct taxation**

**Statement of special tax benefits available to Organic Recycling Systems Limited (formerly known as Organic Recycling Systems Private Limited) (the ‘Company’), Solapur Bio-energy Systems Private Limited and Organic Waste India Private Limited, its material subsidiaries (together referred to as ‘Group’) and its shareholders under the Income Tax Act, 1961 (the ‘Act’) (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2020 (hereinafter referred to as the ‘Income Tax Regulations’)**

#### **1. Special tax benefits to the Company under the Income Tax Regulations:**

The Company has evaluated provisions of Section 115BAA and decided to opt for the lower corporate tax rate of 25.168% with effect from the Financial Year 2020-21. Such option has been exercised by the Company while filing its return for the Financial Year 2020-21 within the due date prescribed under sub-section (1) of section 139 of the Act.

#### **2. Special tax benefits to the shareholders of the Company under Income Tax Regulations:**

No special tax benefits are available to the shareholders of the Company under the Income Tax Regulations.

#### **3. Special tax benefits to Solapur Bio-energy Systems Private Limited & Organic Waste India Private Limited, a material subsidiary of the Company, under the Income Tax Regulations:**

As per Section 2 of chapter II of Finance Act, 2022 (Rates of Income-tax), Income-tax shall be charged at the rates specified in Part III of the First Schedule. Since the Company’s turnover is less than RS. 400 crore in the previous year 2021-22, it can avail special tax rate of 25% (plus applicable surcharge and health and education cess) on the total income.

Further, the Company has an option as per the provisions of Section 115BAA of the Income tax Act, 1961 (“the Act”) to opt for reduced tax rate of 22% (plus applicable surcharge and health and education cess) subject to fulfillment of certain conditions specified in the said Section. Under this option, the Company will not be eligible to claim some special exemptions and deductions. Further, in order to avail the benefit of lower tax rate, the Company has to opt for the same on or before the filing of Income-tax return for respective year. It is pertinent to note that in case where a Company does not opt for the lower tax rate, the Company would be liable to pay tax at the rate of 25% (plus applicable surcharge and health and education cess).

#### **Notes:**

1. These special tax benefits are dependent on the Company, its shareholders and material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders and material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company, its shareholders and material subsidiary may or may not choose to fulfil. The special tax benefits discussed in the Statement are not exhaustive.
2. The Statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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 Offer.



3. The Statement is prepared on the basis of information available with Management of the Company and there is no assurance that:
  - i. the Company, its shareholders and material subsidiary will continue to obtain these benefits in future;
  - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
  - iii. the Revenue authorities/Courts will concur with the view expressed herein.
4. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

**For and on behalf of Board of Directors**

**Sarang Bhand**  
**Managing Director**  
**DIN: 01633419**

Place: Navi Mumbai  
Date: August 11, 2023



## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
**Organic Recycling Systems Limited**  
*(formerly known as Organic Recycling Systems Private Limited)*  
1003, 10<sup>th</sup> Floor, The Affaires  
Plot no. 9, Sector no 17,  
Sanpada, Navi Mumbai – 400705.

**Proposed Initial Public Offering of the equity shares of face value of Rs. 10 each of Organic Recycling Systems Limited (the “Issuer” or the “Company” and such offering, the “Offer” or the “Issue”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’).**

1. This report is issued in accordance with the terms of our engagement letter dated August 4 4, 2023.
2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders and “Solapur Bio-energy Systems Private Limited” & “Organic Waste India Private Limited” (referred as “material subsidiary”) (hereinafter referred to as “the Statement”) under the Central Goods and Service Tax Act, 2017, Integrated Goods & Service Tax Act, 2017, respective state Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, as amended, the rules & regulations there under, Foreign Trade Policy, presently in force in India (collectively referred as “Indirect Tax Regulations”) under the respective tax laws of the country as on March 31, 2023, has been prepared by the management of the Company in connection with the proposed Offer, which has been attached with this certificate.

### **Management’s Responsibility**

The preparation of this Statement as of March 31, 2023 which is to be included in the Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on August 11, 2023 for the purpose set out in paragraph 9 below. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### **Auditor’s Responsibility**

Our work has been carried out in accordance with Standards on Auditing, the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the ‘SEBI ICDR Regulations’) and the Companies Act 2013 (‘Act’), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of March 31, 2023 to the Company, the shareholders and material subsidiary of the Company, in accordance with the Indirect Tax Regulations as at the date of our report.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offering.



## **Inherent Limitations**

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders or material subsidiary fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders or material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is 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 Issue.

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

## **Opinion**

In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of March 31, 2023, to the Company and its shareholders and material subsidiary, in accordance with the Indirect Tax Regulations as at the date of our report.

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

- (i) The Company or its shareholders or material subsidiary will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

## **Restriction on Use**

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India, BSE Limited and Registrar of Companies, Maharashtra at Mumbai. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

## **For Jayesh Sanghrajka & Co LLP**

*Chartered Accountants*

Firm Registration No. 104184W/W100075

## **Pritesh Bhagat**

*Partner*

Membership No.: 144424

**UDIN:** 23144424BGRNMC5705

Place: Mumbai

Date: August 11, 2023



## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE INDIRECT TAX LAWS

### B. Indirect taxation

Statement of special tax benefits available to Organic Recycling Systems Limited (formerly known as Organic Recycling Systems Private Limited) (the 'Company'), Solapur Bio-energy Systems Private Limited and Organic Waste India Private Limited, its material subsidiary (together referred to as 'Group') and its shareholders under the Goods and Services Tax Act, 2017 ('GST Act') read with Rules, circulars and notifications under the GST Act (hereinafter referred to as the 'GST Regime')

#### 1. Special tax benefits to the Company under the GST Regime;

The following specific tax benefit may be available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws on certain eligible projects / contracts:

- As per Notification No.12/2017-Central Tax (Rate) dated 28 June 2017, services provided to Central Government, State Government or Union territory or local authority or a Governmental authority in relation to functions entrusted to Municipality by the Constitution is exempt from levy of Goods and Service Tax.
- As per Notification No. 11/2017-Central Tax (Rate) dated 28th June 2017, total value of supply of goods for the purposes of this entry shall be deemed as seventy percent of the gross consideration charged for all such supplies, and the remaining thirty percent of the gross consideration charged shall be deemed as value of the said taxable service.

#### 2. Special tax benefits to the shareholders of the Company under the GST Regime;

No special tax benefits are available to the shareholders of the Company under the GST Regime.

#### 3. Special tax benefits to Solapur Bio-energy Systems Private Limited, material subsidiary of the Company, under the GST Regime

The following specific tax benefit may be available to Solapur Bio-energy Systems Private Limited, material subsidiary of the Company after fulfilling conditions as per the respective provisions of the relevant tax laws on certain eligible projects / contracts:

- As per Notification No. 12/2017-Central Tax dated 28 June 2017, services provided to Central Government, State Government or Union territory or local authority or a Governmental authority in relation to functions entrusted to Municipality by the Constitution is exempt from levy of Goods and Service Tax.
- As per the Notification No. 02/2017 (Central Tax) dated 28 June 2017, specified services provided are exempted from levy of Goods and Service tax.
- As per the notification No.1/2017-Central Tax (Rate) dated 28th June, 2017, as amended from time to time, supply of specified goods are exempted from levy of Goods & Service tax.

No specific tax benefits are available to Organic Waste India Private Limited under the GST regime.

#### Notes:

1. These special tax benefits are dependent on the Company, its shareholders and material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders and material subsidiary to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company, its shareholders and material subsidiary may or may not choose to fulfil. The special tax benefits discussed in the Statement are not exhaustive
2. The Statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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 Offer.
3. The Statement is prepared on the basis of information available with Management of the Company and there is no assurance that:



- i. the Company, its shareholders and material subsidiary will continue to obtain these benefits in future;
  - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
  - iii. the Revenue authorities/Courts will concur with the view expressed herein.
4. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

**For and on behalf of Board of Directors**

**Sarang Bhand**  
**Managing Director**  
**DIN: 01633419**

Place: Navi Mumbai  
Date: August 11, 2023



## SECTION VI – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources.*

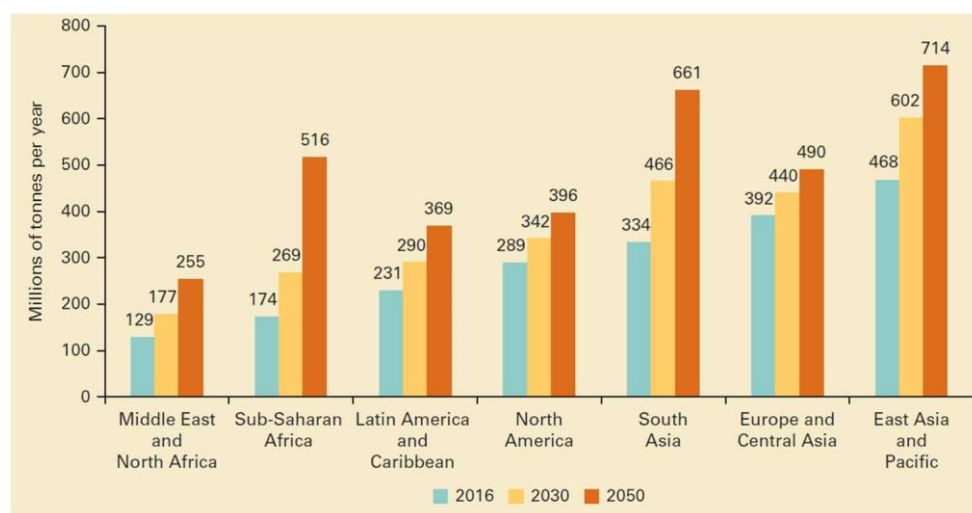
*Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Lead Manager or any of its respective advisors, and should not be relied on as if it had been so verified.*

#### GLOBAL OVERVIEW OF WASTE MANAGEMENT (<https://openknowledge.worldbank.org/handle/10986/30317>)

The world generates 2.01 billion tonnes of municipal solid waste annually, with at least 33 percent of that—extremely conservatively—not managed in an environmentally safe manner. Worldwide, waste generated per person per day averages 0.74 kilogram but ranges widely, from 0.11 to 4.54 kilograms. Though they only account for 16 percent of the world’s population, high-income countries generate about 34 percent, or 683 million tonnes, of the world’s waste.

When looking forward, global waste is expected to grow to 3.40 billion tonnes by 2050, more than double population growth over the same period. Overall, there is a positive correlation between waste generation and income level. Daily per capita waste generation in high-income countries is projected to increase by 19 percent by 2050, compared to low- and middle-income countries where it is expected to increase by approximately 40% or more. Waste generation initially decreases at the lowest income levels and then increases at a faster rate for incremental income changes at low-income levels than at high income levels. The total quantity of waste generated in low-income countries is expected to increase by more than three times by 2050. The East Asia and Pacific region is generating most of the world’s waste, at 23 percent, and the Middle East and North Africa region is producing the least in absolute terms, at 6 percent. However, the fastest growing regions are Sub-Saharan Africa, South Asia, and the Middle East and North Africa, where, by 2050, total waste generation is expected to more than triple, double, and double respectively. In these regions, more than half of waste is currently openly dumped, and the trajectories of waste growth will have vast implications for the environment, health, and prosperity, thus requiring urgent action.

*Projected waste generation, by region (millions of tonnes/year)*

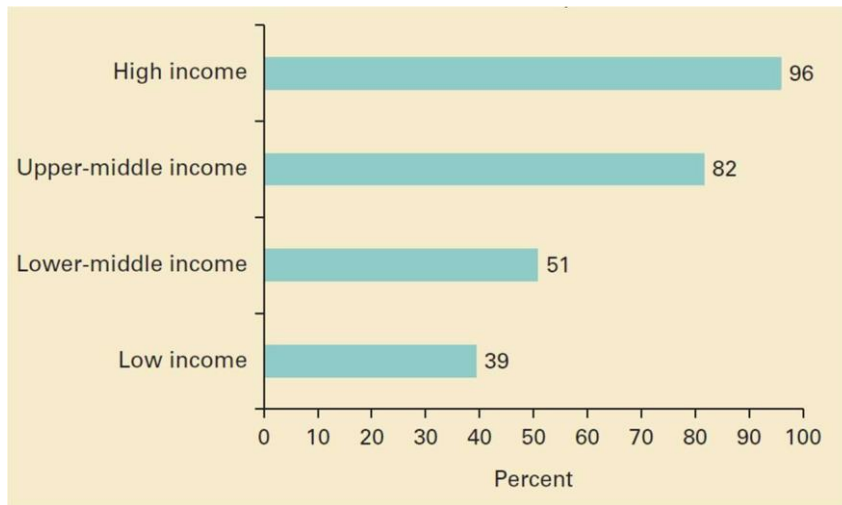


Waste collection is a critical step in managing waste, yet rates vary largely by income levels, with upper-middle- and high-income countries providing nearly universal waste collection. Low-income countries collect about 48 percent of waste in cities, but this proportion drops drastically to 26 percent outside of urban areas. Across regions, Sub-Saharan Africa collects about 44 percent of waste while Europe and Central Asia and North America collect at least 90 percent of waste.



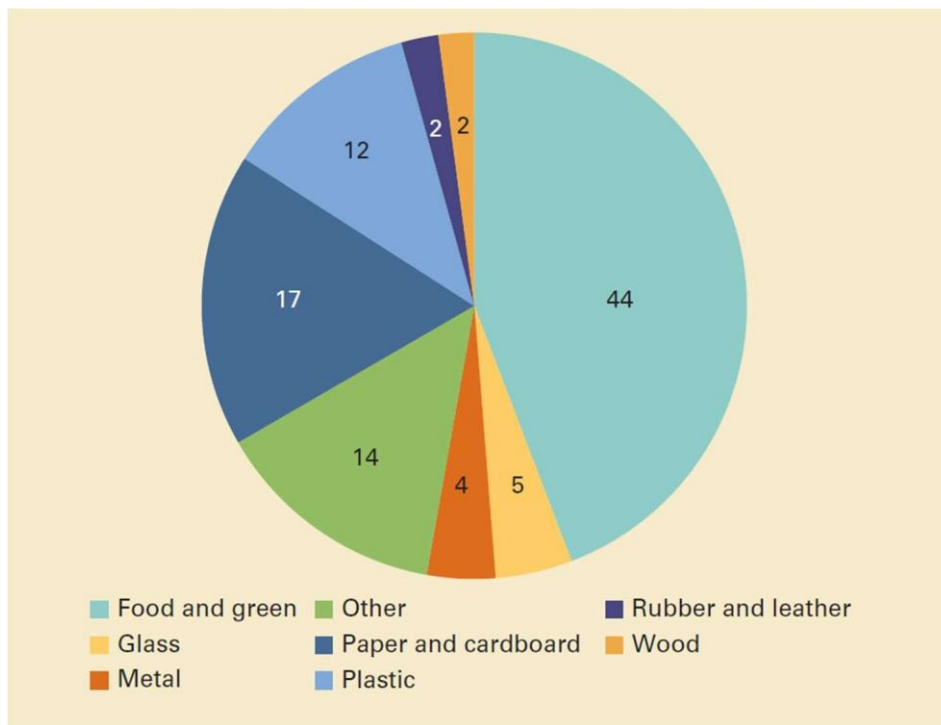


*Waste collection rates, by income level (percent)*



Waste composition differs across income levels, reflecting varied patterns of consumption. High-income countries generate relatively less food and green waste, at 32 percent of total waste, and generate more dry waste that could be recycled, including plastic, paper, cardboard, metal, and glass, which account for 51 percent of waste. Middle- and low-income countries generate 53 percent and 57 percent food and green waste, respectively, with the fraction of organic waste increasing as economic development levels decrease. In low-income countries, materials that could be recycled account for only 20 percent of the waste stream. Across regions, there is not much variety within waste streams beyond those aligned with income. All regions generate about 50 percent or more organic waste, on average, except for Europe and Central Asia and North America, which generate higher portions of dry waste.

*Global waste composition (percent)*

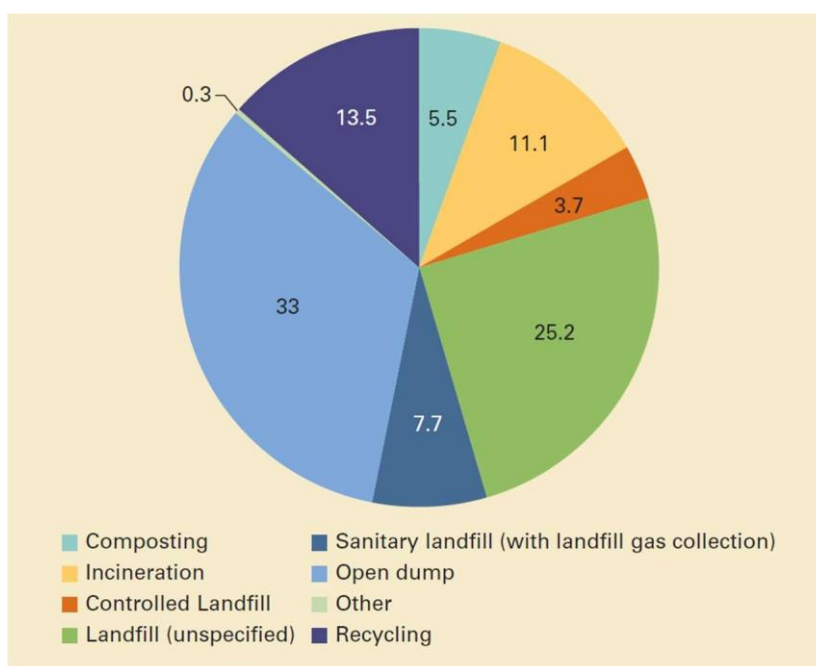


It is a frequent misconception that technology is the solution to the problem of unmanaged and increasing waste. Technology is not a panacea and is usually only one factor to consider when managing solid waste. Countries that advance from open



dumping and other rudimentary waste management methods are more likely to succeed when they select locally appropriate solutions. Globally, most waste is currently dumped or disposed of in some form of a landfill. Some 37 percent of waste is disposed of in some form of a landfill, 8 percent of which is disposed of in sanitary landfills with landfill gas collection systems. Open dumping accounts for about 31 percent of waste, 19 percent is recovered through recycling and composting, and 11 percent is incinerated for final disposal. Adequate waste disposal or treatment, such as controlled landfills or more stringently operated facilities, is almost exclusively the domain of high- and upper-middle-income countries. Lower-income countries generally rely on open dumping; 93 percent of waste is dumped in low-income countries and only 2 percent in high-income countries. Three regions openly dump more than half of their waste—the Middle East and North Africa, Sub-Saharan Africa, and South Asia. Upper-middle-income countries have the highest percentage of waste in landfills, at 54 percent. This rate decreases in high-income countries to 39 percent, with diversion of 36 percent of waste to recycling and composting and 22 percent to incineration. Incineration is used primarily in high-capacity, high-income, and land-constrained countries.

*Global treatment and disposal of waste (percent)*



Based on the volume of waste generated, its composition, and how it is managed, it is estimated that 1.6 billion tonnes of carbon dioxide (CO<sub>2</sub>) equivalent greenhouse gas emissions were generated from solid waste treatment and disposal in 2016, or 5 percent of global emissions. This is driven primarily by disposing of waste in open dumps and landfills without landfill gas collection systems. Food waste accounts for nearly 50% of emissions. Solid waste-related emissions are anticipated to increase to 2.38 billion tonnes of CO<sub>2</sub>-equivalent per year by 2050 if no improvements are made in the sector.

In most countries, solid waste management operations are typically a local responsibility, and nearly 70 percent of countries have established institutions with responsibility for policy development and regulatory oversight in the waste sector. About two-thirds of countries have created targeted legislation and regulations for solid waste management, though enforcement varies drastically. Direct central government involvement in waste service provision, other than regulatory oversight or fiscal transfers, is uncommon, with about 70 percent of waste services being overseen directly by local public entities. At least half of services, from primary waste collection through treatment and disposal, are operated by public entities and about one-third involve a public-private partnership. However, successful partnerships with the private sector for financing and operations tend to succeed only under certain conditions with appropriate incentive structures and enforcement mechanisms, and therefore they are not always the ideal solution.

Financing solid waste management systems is a significant challenge, even more so for ongoing operational costs than for capital investments, and operational costs need to be taken into account upfront. In high-income countries, operating costs for integrated waste management, including collection, transport, treatment, and disposal, generally exceed \$100 per tonne. Lower-income countries spend less on waste operations in absolute terms, with costs of about \$35 per tonne and sometimes higher, but these countries experience much more difficulty in recovering costs. Waste management is labour intensive, and costs of transportation alone are in the range of \$20–\$50 per tonne. Cost recovery for waste services differs drastically across income levels. User fees range from an average of \$35 per year in low-income countries to \$170 per year in high-income countries, with full or nearly full cost recovery being largely limited to high-income countries. User fee models may be fixed



or variable based on the type of user being billed. Typically, local governments cover about 50 percent of investment costs for waste systems, and the remainder comes mainly from national government subsidies and the private sector.

### **Status of Solid waste management in India** ([https://cpcb.nic.in/uploads/MSW/MSW\\_AnnualReport\\_2020-21.pdf](https://cpcb.nic.in/uploads/MSW/MSW_AnnualReport_2020-21.pdf))

The total quantity of Solid waste generated in the country is 160038.9 TPD of which 152749.5 TPD of waste is collected at a collection efficiency of 95.4%. 79956.3 TPD (50 %) of waste is treated and 29427.2 (18.4%) TPD is landfilled. 50655.4 TPD which is 31.7 % of the total waste generated remains un-accounted

#### **Critical gaps & concerns**

- i. Unaccounted waste: More than 31.7% of the solid waste generated in the state remains unaccounted for as per the Solid waste Management Report.
- ii. State-to-State variation in SWM: In addition to the overall gap of >25% reported in overall solid waste management, wide variation observed (0-100%) in state- to – state solid waste management. State-to-state processing of solid waste also shows wide variation (0- 85%).
- iii. Technology Adoption for SWM: While composting as a technology for Solid Waste Processing has been adopted by all States/ UTs; Waste to Energy Plants have been provided in only 6 States/ UTs Bio- methanation plants have not been provided in 14 States/UTs.

Landfill vs Dumpsites: Number of dumpsites in the country far exceeds the number of landfills sites; many states/UTs still do not have any landfill sites. Reclamation of dumpsites has started at a slow pace and some of the states/ UTs are yet to start the reclamation.

#### **Areas requiring priority action**

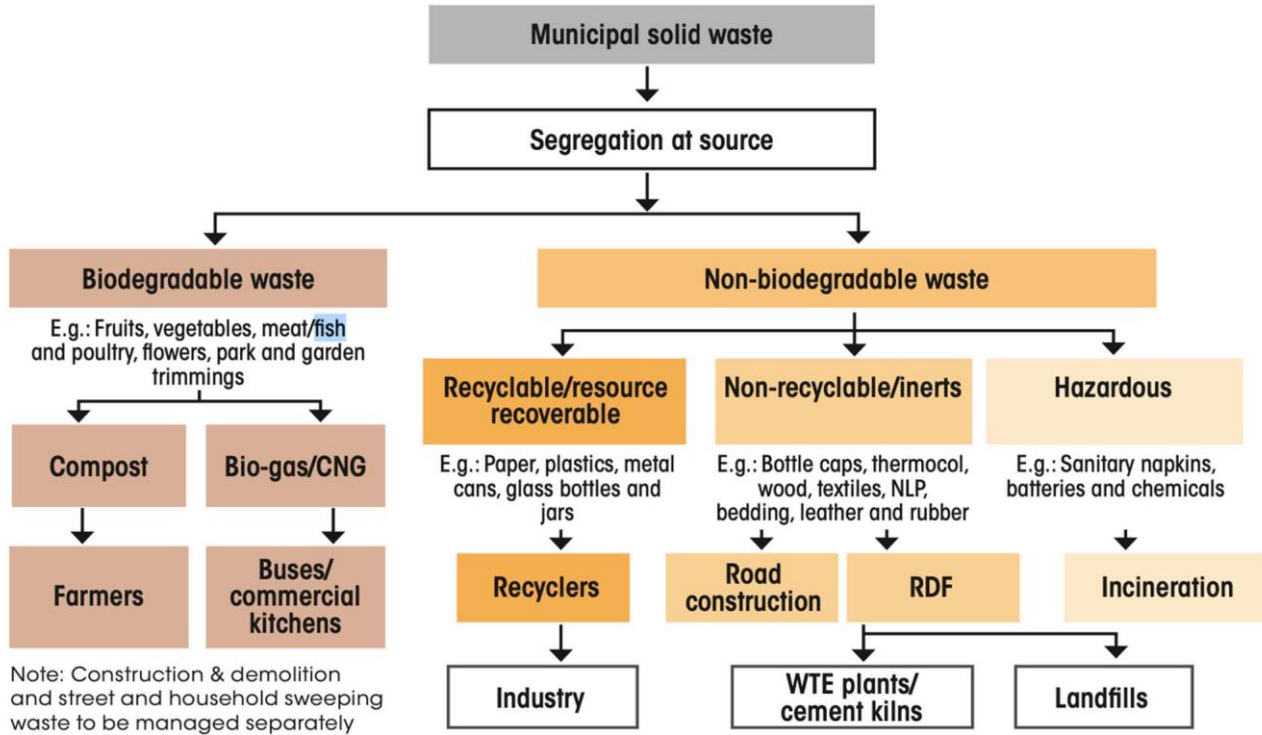
- i. Strengthening of infrastructure of SWM: State Urban Dept need to take up intensive measures for strengthening of infrastructure for Solid Waste Management including Solid Waste processing and remediation of dumpsites as well as adoption of technology for SWM.
- ii. Monitoring mechanism: SPCBs/ PCCs to follow a stringent mechanism to review implementation of Solid Waste Management Rules. Periodic review with District Administration/ State Urban Dept. to be conducted in accordance with Rule 16 (a) of SWM Rules. Issuing of Directions to concerned local authorities, Stakeholder consultation, and review through online portal to be adopted to strengthen enforcement.
- iii. Strengthening enforcement of SWM Rules: SPCBs/ PCCs need to strengthen enforcement both in terms of issuing authorization to Solid Waste Management facilities but also intensify environmental monitoring to ensure compliance with stipulated norms.
- iv. Data validation by SPCBs/ PCCs: SPCBs/ PCCS to validate the data submitted by the local authorities to ensure its authenticity& consistency,

The per capita per day solid waste generation has been estimated using the current (2021) estimated population and daily floating population. The per capita per day solid waste generation in the 28 cities is in the range of 0.19–0.99 kg and the average for all 28 cities is 0.39 kg. This is representative of the country-wide per capita waste generation, with bigger and more affluent cities adding more waste per day. For instance, Leh and Panaji, both tourist towns, have a much higher waste generation footprint than the country’s average of 0.3–0.5 kg/day/person. (<https://www.niti.gov.in/sites/default/files/2021-12/Waste-Wise-Cities.pdf>).



**Current methodology of solid waste management** (<https://www.niti.gov.in/sites/default/files/2021-12/Waste-Wise-Cities.pdf>)

***Components Of MSW Management – Different Types of waste and where they end up:***



Source: Guidelines for Swachh Bharat Mission (urban) 2.0, 2021

**Acts, Schemes, and Initiatives**

**ACTS** (<https://cpcb.nic.in/>)

The following acts have been implemented and govern the overall waste management sector :

- SWM rules 2016
- Plastic waste management 2016
- Biomedical waste management rules 2016
- Hazardous and other waste management rules 2016
- E-waste rules 2016
- Battery waste management rules 2022
- Construction and demolition waste rules 2016



## **Salient Features of Solid waste Management Rules 2016 :**

(<http://storage.unitedwebnetwork.com/files/26/24c903c44ec6d531ae67126ce12adc64.pdf>)

- Every Waste Generators shall segregate waste and store separately and hand over to Municipal workers or authorized waste pickers. Shall pay such user fee for solid waste management, as specified in the bye-laws of the local bodies.
- Departments of Fertilizers & Chemicals shall assist in market development for city compost and make available to companies (3/4 bags compost: 6/7 bags Fertilizers).
- Ministry of Agriculture shall make flexible Fertilizer Control Order, promote utilization of compost, testing facility for compost and issue guidelines.
- MNRE shall facilitate infrastructure for waste-to-Energy plants and provide subsidy.
- All industrial units using fuel and located within 100 km from an solid waste-based RDF plant shall make arrangements within six months from the date of notification of these rules to replace at least 5 % of their fuel requirement by RDF so produced.
- Non-recyclable waste having calorific value of 1500 kcal/kg or more shall not be disposed of on landfills and shall only be utilized for generating energy either or through refuse derived fuel or by giving away as feed stock for preparing refuse derived fuel.
- High calorific wastes shall be used for co-processing in cement or thermal power plants.

## **SCHEMES BY VARIOUS MINISTRIES:**

### **Ministry of Housing & Urban Affairs**

Swachh Bharat Mission 2.0 : (<https://sbmurban.org/storage/app/media/pdf/swachh-bharat-2.pdf>)

Swachh Bharat Mission (Urban) (SBM-U) had three major objectives: (a) achieving 100% Open Defecation Free (ODF) status, (b) ensuring 100% scientific Solid Waste Management (SWM), and (c) behavior change through 'Jan Andolan', by 2nd October 2019, in all statutory towns. The outlay of the Mission was Rs. 62,009 crores, including GoI share of Rs. 14,623 crores, and minimum State share of Rs. 4,874 crores. Balance funds (Rs. 42,535 crores) were to be generated through individual beneficiary contribution, PPP and other sources.

NSSO had undertaken an impartial assessment of the Mission in 2018. In its report of the 76th Round (with theme of Drinking Water, Sanitation, Hygiene and Housing Conditions of India: July – December 2018), the study found that 98% of toilets are being used in urban areas. Further, NITI Aayog has evaluated various Centrally Sponsored Schemes, including SBM-U, in its report dated 18th January 2021. Its recommendations include the following:

- a) need for continued investment in IHHLs and CT/PTs;
- b) need for focusing on entire sanitation value chain for inclusive sanitation, which also includes collection, containment, treatment, disposal and recycling of faecal waste and waste water;
- c) need for managing different types of solid wastes (including plastic, C&D and sanitary waste);
- d) need for budgetary support for disposal of legacy waste, management of plastic waste, C&D waste.

The above recommendations suggest, inter alia, the need for Mission to continue.

Moreover, the achievements under SBM- Urban need to be sustained in the long run with creation of adequate infrastructure, and their implementation needs to be accelerated manifold.

Hence, SBM-U 2.0 is needed, with the following areas of focus:



- to achieve the vision of a “Garbage Free” Urban India, more focus is required to be given to issues such as source segregation, collection & transportation, and processing, including effective management of Construction & Demolition waste, plastic waste management including reduction in single use plastic, and remediating all legacy dumpsites;
- to sustain the ODF status and prevent slippage, there is a need to ensure that all fecal sludge and waste(used) water are safely contained, transported, processed and disposed off, so that no untreated fecal sludge or used water pollutes the ground or water bodies;
- intensified focus is required to be given to IEC and behavior change through citizen outreach and Jan andolan, as well as capacity building and skilling of all relevant stakeholders, towards achieving the Mission’s objectives.
- Mission is now being extended for a period of 5 (five) years, from 1st October 2021 to 1st October 2026, as Swachh Bharat Mission (Urban) 2.0 (SBM-U 2.0), for completing the work remaining, institutionalizing ‘swachh ’behavior and making it sustainable. The Government of India in partnership with States/ UTs and ULBs is committed to make all cities ‘Garbage Free ’under SBM-Urban 2.0 in order to contribute to the achievement of the Sustainable Development Goals (SDG) 2030, which will ultimately improve the quality of life and ease of living of urban populations, thus leading to urban transformation.

### **Swachh Bharat Mission - Grameen (<https://swachhbharatmission.gov.in/SBMCMS/about-us.htm>)**

#### **Vision**

The aim of Swachh Bharat Mission (Gramin) phase II is to ensure the open defecation free behaviours are sustained.

#### **Objectives**

- Open defecation free behaviours are sustained, and no one is left behind.
- Solid and liquid waste management facilities are accessible and reinforcing ODF behaviours and focus on providing interventions for safe management of solid and liquid waste in villages
- To encourage cost effective and appropriate technologies for ecologically safe and sustainable sanitation.
- To develop, wherever required, community managed sanitation systems focusing on scientific Solid & Liquid Waste Management systems for overall cleanliness in the rural areas.
- To create significant positive impact on gender and promote social inclusion by improving sanitation especially in marginalized communities.

### **GOBARDHAN SCHEME: Galvanising organic Bio-Agro Resource Dhan (<https://sbm.gov.in/gbdw20/images/Framework/Gobardhan.pdf>)**

GOBAR-DHAN announced during the budget speech of the Hon’ble finance minister in Feb 2018, this initiative is to support the biodegradable waste recovery, conversion of rural waste into resource and create wealth for rural stakeholders.

### **Ministry of New & Renewable Energy**

#### **Waste To Energy Initiatives. ([https://mnre.gov.in/img/documents/uploads/file\\_f-1618564141288.pdf](https://mnre.gov.in/img/documents/uploads/file_f-1618564141288.pdf))**

A Waste to Energy Programme for recovery of Energy from Urban, Industrial and Agricultural Wastes/ Residues (WTE Programme) in the form of Biogas/BioCNG/Power is under implementation.

The WTE programme through grant of Central Financial Assistance supports the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative of Ministry of Petroleum and Natural Gas wherein it is envisaged to set up 5000 CBG plants by 2023-24 with production target of 15 MMT of BioCNG. It will facilitate the creation of new employment opportunities and enhance farmers income thereby help realising the vision of “Annadaata se Urjadaata” and invigorate the rural economy.

The WTE programme is also aligned with the Swachh Bharat Mission by way of promoting Municipal Solid Waste (MSW) to power projects.



Under the Waste to Energy programme as on 31st Jan 2021, a total of five projects with a cumulative capacity of 74.7 MW power from Municipal Solid Waste (MSW) have been given in-principle approval by the Ministry for grant of Central Financial Assistance (CFA). These five projects are estimated to utilize around 6000 Tons/day of MSW towards generation of Electricity.

Subsidy, Grants and Incentive provided under the Scheme:

Central Financial Assistance (CFA) for projects of different categories is given in the form of capital subsidy to the promoters and in the form of Grants-in-Aid for other activities, as given below:

- i. Biogas generation: Rs.1.0 crore per 12000cum/day (Maximum CFA-Rs.10 crore/project)
- ii. Bio-CNG generation (including setting of Biogas plant): Rs.4.0 Crore per 4800Kg/day;
- iii. Power generation based on Biogas (Maximum CFA- Rs.10 crore/project):
  - Gas engine/turbine route: Rs.3.0 Crore per MW
  - Boiler+Steam turbine route: Rs.1.5 crore / MW
- iv. Power Generation (based on MSW/ RDF): Rs.5.0 crore /MW (Maximum CFA- Rs. 50 crore/project)
- v. Power (Based on BTG route): Rs.0.50 crore/MW (Maximum CFA - Rs.10 Crore/Project)
- vi. Biomass Gasifier:
  - Rs. 2,500 per kWe with dual fuel engines for electrical application
  - Rs.15,000 per kWe with 100% gas engines for electrical application
  - Rs. 2 lakh per 300 kWth for thermal applications.
  - Rs.10,000 per kWe for 100% producer gas engines with Gasifier system for electrical applications
  - Rs.8000 per kWe for 100% producer gas engine alone for electrical applications

Schemes Biogas Power (Off-Grid) Generation and Thermal Application Programme (BPGTP) :

The Ministry is implementing Biogas-based Scheme/Programme for promoting biogas generation for Off-grid/distributed and decentralized Renewable Power applications in the capacity range of 3 kW to 250 kW and also for thermal energy applications having biogas generation capacity in the corresponding matching size range of 30 M3 to 2,500 M3 per day. The organic bio-degradable wastes from various sources such as cattle dung/animal wastes, food and kitchen waste, poultry dropping and agro-industry waste etc., are the feed stock for Biogas plants.

The Biogas based Power Generation and Thermal Application Programme (BPGTP) is implemented through the Agriculture and Rural Development Departments of the States, Dairy Co-operatives, State Nodal Agencies (SNAs), Biogas Development and Training Centres (BDTCs), Khadi and Village Industries Commission (KVIC) and National Dairy Development Board (NDDB) from the year 2019-20.

New National Biogas and Organic Manure Programme (NNBOMP)

The NNBOMP scheme, a central sector scheme aims for setting up small Biogas Plants in the size range varying from 1 M3 to 25 M3. The NNBOMP's objectives is to provide green and clean renewable gaseous fuel for cooking, lighting and small power needs of the potential farmers, cattle farmers/ users including individual households and to facilitate management and utilization of biogas plant produced slurry as an organic enriched Solid Biogas Fertilizer. In India, Biogas plants have generally used cattle dung with the option of linking with sanitary toilets.

The new scheme Guidelines have been made effective since 01.04.2018, to make it reachable to all states/UTs making life style changing for remote, rural and semi-urban households/ dairy farmers /Agriculture farmers etc., as far as the supply of



clean and renewable gaseous fuel for cooking/lighting and biogas digested slurry is concerned. The biogas plant digested slurry is an excellent organic fertilizer /manure offering alternatives to replace costly chemical fertilizers such as Urea & DAP and have sustainable agriculture and soil health.

Biogas being a clean cooking fuel and produced from the wastes available at the doorsteps of the potential beneficiaries along with simultaneous production of organic nutrients enriched slurry provide opportunity to have reduction in cost/saving on an average by Rs. 9,000 to Rs. 12,000 per year, considering the plant size of 1 to 4 M3. The efforts of setting up biogas plants across the country are contributing towards doubling the income of Farmers.

### **Ministry of Petroleum & Natural Gas**

*National Policy On Biofuels 2018 (2022) ([https://mopng.gov.in/files/uploads/NATIONAL\\_POLICY\\_ON\\_BIOFUELS-2018.pdf](https://mopng.gov.in/files/uploads/NATIONAL_POLICY_ON_BIOFUELS-2018.pdf))*

The Policy aims to increase usage of biofuels in the energy and transportation sectors of the country during the coming decade. The Policy aims to utilize, develop and promote domestic feedstock and its utilization for production of biofuels thereby increasingly substitute fossil fuels while contributing to National Energy Security, Climate Change mitigation, apart from creating new employment opportunities in a sustainable way. Simultaneously, the policy will also encourage the application of advance technologies for generation of biofuels.

The Goal of the Policy is to enable availability of biofuels in the market thereby increasing its blending percentage. Currently the ethanol blending percentage in petrol is around 2.0% and biodiesel blending percentage in diesel is less than 0.1%. An indicative target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel is proposed by 2030. This goal is to be achieved by:

- (a) reinforcing ongoing ethanol/biodiesel supplies through increasing domestic production
- (b) setting up Second Generation (2G) bio refineries
- (c) development of new feedstock for biofuels
- (d) development of new technologies for conversion to biofuels.
- (e) creating suitable environment for biofuels and its integration with the main fuels.

Government is adopting a multi-pronged approach to promote and encourage use of biofuels by

- Blending ethanol in petrol through Ethanol Blended Petrol (EBP) Programme using ethanol derived from multiple feedstocks.
- Development of Second Generation (2G) ethanol technologies and its commercialization.
- Blending biodiesel in diesel through Biodiesel Blending Programme exploring multiple feedstocks including straight vegetable oil in stationary, low RPM engines.
- Focus on drop-in fuels produced from MSW, industrial wastes, biomass etc.
- Focus on advanced biofuels including bio-CNG, bio-methanol, DME, bio-hydrogen, bio-jet fuel etc.

*Sustainable Alternative Towards Affordable Transportation (SATAT) Scheme:*

*(<https://satat.co.in/satat/about.html>)*

'SATAT '(Sustainable Alternative Towards Affordable Transportation) scheme on Compressed Bio Gas (CBG) was launched by Hon'ble Minister, Petroleum & Natural Gas on 1.10.2018. The scheme envisages to target production of 15 MMT (million tons) of CBG by 2023, from 5000 Plants. Under SATAT scheme, entrepreneurs shall set up CBG plants, produce & supply CBG to OMCs for sale as automotive & industrial fuels. The initiative aims to produce compressed biogas (CBG) from Waste and Bio-mass sources like agricultural residue, cattle dung, sugarcane press mud, Municipal Solid Waste (MSW) and sewage treatment plant waste. PSU Oil Marketing Companies (OMCs) is inviting Expression of Interest (EoI) from potential entrepreneurs to set up CBG plants under SATAT scheme, and supply CBG to OMCs for sale as automotive & industrial fuel. The CBG Plant Owner shall be responsible for planning, preparation, engineering and execution of the project, including storage of raw material, operation and maintenance of the plant, maintaining final product output quantity and quality and managing the by-products & wastes from the plant as per existing central / state norms."





## **Waste Management Business Potential**

<https://mohua.gov.in/upload/whatsnew/627b833ecac62Circular-Economy-in-waste-management-FINAL.pdf>

An analysis by MoHUA identifies significant potential for resource recovery from various waste categories through circular economy. For example, dry waste recycling has a potential to generate approximately Rs.11,836 crores per annum, and compost and Bio- CNG from wet waste can generate revenues of nearly Rs. 365 crores and Rs.1,679 crores per annum respectively. Similarly, C&D waste has the potential to generate revenues of approximately Rs. 416 crores per annum. A similar trend is seen in the liquid waste space with revenues amounting to Rs. 6,570 crores and Rs. 3,285 crores per annum for treated sludge and wastewater respectively.

### **Biogas Market Potential:**

[https://www.germanenergysolutions.de/GES/Redaktion/DE/PDFAnlagen/Aktuelle\\_Meldungen/20200225-indian-biogasassociation-biogas-market-india.pdf?\\_\\_blob=publicationFile&v=2](https://www.germanenergysolutions.de/GES/Redaktion/DE/PDFAnlagen/Aktuelle_Meldungen/20200225-indian-biogasassociation-biogas-market-india.pdf?__blob=publicationFile&v=2)

| Industries            | Prominent Wastes Generated   | Treatment Option                   | Estimated Potential (in MW <sub>el</sub> ) |
|-----------------------|--|------------------------------------|--|
| Dairy Plants          | Whey and Milk cream  | Biomethanation                     | 72   |
| Starch/Sago factories | Starch materials and peels   | Biomethanation                     | 145  |
| Tanneries             | Hides and skins  | Acid treatments and biomethanation | 8  |
| Argo-residue          | Wheat and Paddy Harvest  | Biomethanation                     | 10,100                                     |
| Animal Husbandry      | Manure   | Biomethanation                     | 7,450                                      |
| Segregated MSW        | Segregated organics-Household, Vegetable Yard, Restaurants, Commercial Estates | Biomethanation                     | 4,950                                      |
| Distilleries          | Spent Wash   | Biomethanation                     | 550  |

| Industries       | Prominent Wastes Generated                                    | Treatment Option                          | Potential (in MW <sub>el</sub> ) |
|------------------|---|---|----------------------------------|
| Sugar Mills      | Sugar bagasse   | Combustion and Gasification/ Cogeneration | 410                              |
|                  | Pressmud  | Biomethanation                            |                                  |
|                  | Sugar molasses  | Fermentation                              |                                  |
|                  | Fermentative Yeast biomass                                    | Biomethanation                            |                                  |
| Slaughter houses | Organs, Tissues, Blood, Hides, Animal excreta and Carcass etc | Biomethanation                            | 98                               |
| Paper mills      | Pulp  | Biomethanation/Cogeneration               | 62                               |
|                  | Paper shavings  | Combustion                                |                                  |
|                  | Wood wastes and Paper boards                                  | Combustion and gasification               |                                  |



## BUSINESS OVERVIEW

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page no. 10 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section —Risk Factors III 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 is ending on March 31<sup>st</sup> of each year, so all references to a particular fiscal are to the twelve-month period ended March 31<sup>st</sup> of that year. The financial information used in this section, unless otherwise stated, is derived from our Consolidated Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations.

Unless otherwise stated, reference to this section to “ORS”, “the Company”, or “our Company” are to “Organic Recycling Systems Ltd.”, and references to “we”, “our” or “us” are to the Company.

### (1) DETAILS OF THE BUSINESS OF THE ISSUER:

Our company was incorporated on 29<sup>th</sup> August 2008 as a private limited company under the provisions of the erstwhile Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra in the name and style of Organic Recycling Systems Private Limited, bearing Corporate Identification Number U40106MH2008PTC186309. Subsequently, our Company was converted into a Public Limited Company pursuant to a special resolution passed by members in Extra-Ordinary General Meeting of Company held on 26<sup>th</sup> September 2022, and the name of our company was changed to Organic Recycling Systems Limited vide a fresh Certificate of Incorporation dated 29<sup>th</sup> September 2022, issued by the Registrar of Companies, Mumbai and Maharashtra. The Corporate Identification Number of our Company is U40106MH2008PLC186309.

#### Conspectus

We are an engineering company focused on environmental solutions and provide waste management solutions across waste types and across the value chain. Our Company has been a forerunner in providing sustainable waste management solutions in India since 2008. Incorporated by technocrats our focus primarily has been on developing robust, cost effective & environment friendly technologies that are simple to operate. We have proven technology and capability of successfully running one of India’s first Waste to Energy (WTE) plant developed on anaerobic biomethanation technology.

The anaerobic bio methanation technique has been recognized as a promising technology as per National Master Plan issued by Government of India, We have also set up a MSW processing and disposal plant in Solapur, Maharashtra to convert Municipal Solid Waste (MSW) into electricity and compost. The plant has been operational since 2013 with the plant being recognized as one of the case studies for best practices for MSWM under the Swachh Bharat Mission and various other reports. With the data collected over the years, our company is now a front runner for various EPC opportunities in the country and therefore providing solutions encompassing entire value chain for waste management.

Our Business verticals includes Build Own Operate Transfer (BOOT) model, Engineering Procurement and Commissioning (EPC) model and Supply of key equipment.

Waste Management is a very huge opportunity in India due to its demographics and consumption pattern. The sector is in its growth stage with very few players having the right technology and capability to provide sustainable solutions. Hence we are determined to enter into and become one of the leading technology & service providers in Asian, Middle Eastern, and African region for mitigating waste management challenges by promoting sustainable technological innovations right from door-step and community level solutions to large scale end-to-end infrastructure solutions for municipal waste management.

Our projects are implemented keeping in the mind positive social impact on environment & well-being for society at large. Driven by principles of circular economy, we are committed to recover maximum resources from waste thereby reducing burden on landfills.



## Goal

Our goal is to integrate and develop a wide technological and service spectrum to provide solutions for managing various waste streams for resource recovery, recycling & upgradation & reduction of waste for final disposal and providing advisory services for the same.

## Vision

To become champions of innovation and to provide cutting-edge technological solutions for mitigating energy, environment and waste management challenges.

## Mission

To acquire, adapt and develop ‘Technologies, products, services’ and deploy viable waste management solutions while leveraging data collected & Information technology in all stages of the project life cycle, right from conceptualization to post project delivery, with conformance to Total Quality Management (TQM) standards.

## History (Timeline)

|      |   |
|------|---|
| 2008 | – Formation of Organic Recycling Systems Private Limited to develop & promote technology for scientific & sustainable treatment of waste using Anerobic Digestion Process.  |
| 2009 | – Acquisition of Solapur project under 100% Wholly owned subsidiary called Solapur Bioenergy Systems Private Limited for a Concession Period of 29 years & 11 Months from Cicon Environment Technologies Limited.   |
| 2010 | – Start of Construction of 300 TPD MSW Processing Facility under 100% Subsidiary - Solapur Bioenergy Systems Private Limited based on the inhouse developed & validated technology called DRYAD™ based on the Principals of Anerobic Digestion Process.   |
| 2011 | – Secured tariff fixation for a Waste to Bioenergy Plant using Cost Plus Methodology from both MERC & CERC therefore setting precedent for the Tariff fixation system for Biogas Projects.<br>– Solapur project availed Custom Duty Exemptions for a Waste Management Project   |
| 2013 | – Solapur facility achieved grid connectivity & commissioned its Biogas to Power Plant in July 2013 with MSEDCL.  |
| 2014 | – Started the Development of DRYCO-AD™ Technology for smaller application based on the same principal of DRYAD™ Technology & Anaerobic Digestion Process.   |
| 2016 | – Commercialized the Descaled DRYCO-AD™ Technology with award of Project from Indian Oil Corporation Ltd to be implemented in Varanasi, Uttar Pradesh.  |
| 2018 | – Secured contracts for setting up 5 TPD containerized bio-methanation plants for treating biodegradable waste to generate electricity and enriched organic manure and operation & maintenance of the plants for a period of 5 years at 10 different sites in Delhi: <ul style="list-style-type: none"> <li>• 2 sites under the jurisdiction of East Delhi Municipal Corporation</li> <li>• 4 sites under the jurisdiction of South Delhi Municipal Corporation; and 4 sites under the jurisdiction of North Delhi Municipal Corporation</li> </ul> |
| 2019 | – Secured 2 contracts from KSIDC for developing 200 TPD Integrated Waste Management & Processing Project each for Palakkad & Kannur Clusters in Consortium with Blue Planet Environmental Solutions India Private Limited. Our company has entered into contracts for setting up the projects and will be paid on completion of milestones.   |
| 2021 | – Secured contract from Kolkata Municipal Corporation for construction of 5 TPD facility to process organic waste for generation of Bio-CNG   |
| 2022 | – Received Work order for Construction of 100 TPD Integrated Solid Waste Management Facility along with operation & maintenance of the facility for a period of 3 years from Kalyan Dombivli Municipal Corporation<br>– Patent granted for the invention “ <i>Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein</i> ” for a period of 20 years w.e.f. June 2014  |
| 2023 | – Patent granted for the invention “ <i>Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein</i> ” for a period of 20 years w.e.f. June 2014”   |



## Our Highlights

### Our Competitive Strength :



#### 1. Proven Technology & Capability

We are one of the forerunners in introducing Thermophilic Anaerobic Bio methanation Technique for Municipal Solid Waste Management in India. Anaerobic bio methanation technology is the most ideal for Indian conditions for treating organic waste and based on the same, ORS has developed, Patented DRY ANAEROBIC DIGESTION (DRYAD) technology which is capable of treating several kinds of waste and same is also proven through its use in Solapur plant which is operating since last 9 years. Through data collected, we have developed further technologies based on techno-commercial feasibility and client requirement such as LIPH-AD technology, a low cost anaerobic digestion process, MARUT - Pulverising and homogenising technology and many more as per the waste sector demands.

#### 2. Penetration into Multiple Business Verticals

- Project developer & Technology Licensing with Engineering Procurement and Construction (EPC) division: We have agreements with Urban local bodies to develop projects and technology on BOOT and PPP Model and providing technological and engineering support through our EPC vertical.
- Product Vertical – Our product vertical is engaged in designing and supplying certain key equipment required to set up MSW projects. Our plan is to augment the offering by acquiring exclusive marketing rights / manufacturing rights for other key equipment related to MSW processing.
- Consulting vertical – We have an experienced and specialized team which will enable us to foray into providing consultancy and project management services and has a vertical to carry out R&D activities for development and implementation of future technologies as well as provide contract research services to various industries in the environmental sector.



### **3. Experience of our Promoters and management personnel**

Our Promoter Mr. Sarang Bhand has a total experience of 17 years. He has played vital role in securing technological collaborations, contracts/ projects for the company. He has also been involved in project implementation, project planning, securing funding, stakeholder management, monitoring projects & securing compliances for ongoing projects.

He along with an experienced team of commercial and environmental specialists who have deep operational, technical & scale up expertise in waste management sector. This team has a combined 100+ years of experience in providing engineering solutions in waste management sector.

We also have an accomplished and diversified team having experience in the areas of operations, logistics, marketing and finance, which assists our Board in implementing our business strategies and furthering our growth. Our management team's collective experience and capabilities enable us to manage our business operations efficiently, enhance customer relationships as well as understand and anticipate market trends. We will continue to leverage the experience of our Promoters and management team and their understanding of the solid waste industry, to take advantage of current and future market opportunities. Through their loyalty, commitment and experience, we believe our management team has established a good reputation for our Company with our customers and has been instrumental in our growth by being able to rapidly respond to market opportunities, adapt to changes in the business landscape, customer demands and competitive environment and bring innovations to our business, marketing and strategy.

### **4. UN Sustainability Development Goals.**

Our Company is Strongly Dedicated to Contribute to the Sustainability Goals. Our Business Model helps achieve certain UN Sustainability Development Goals. Of the 17 "Sustainable Development Goals" laid down by the UN, we believe that ORS touches on 5 of them and this is due to the emphasis of the Promoters on the Triple Bottom Line Approach (Social Welfare, Environment & Financial).

- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

### **5. Lucrative Prospects of The Market**

The average per capita per day solid waste generation in cities in India is estimated to be around 0.39 kg. (Source: Waste wise cities by CSE and NITI AAYOG)

As per the 2018-19 data form CPCB Annual report and Plastic waste management case study by MOUHA, MSW generated per day in India is around 1.5 lakhs tons per day and treated quantity is around 0.5 lakhs tons per day and plastic waste generated is around 0.26 lakh tons per day and plastic waste treated is around 0.15 lakhs tons per day with total market opportunity upto 60 Bn USD till 2025. (Source: <https://www.wastetowealth.gov.in>)

#### **Competition**

The Indian waste management market is witnessing a healthy growth rate, owing to the high population density and increased industrial activity, which is generating high amount of waste.

The Indian Waste Management industry offers huge potential as only 30% of the recyclable waste is recycled currently<sup>1</sup>. Shortage of proper policies for collection, disposal, and recycling and the lack of efficient infrastructure are few of the many reasons leading to poor waste management in the country. Many startups are coming up with innovative ideas to manage wastes, as well as convert them into valuable resources. However, India requires a fair amount of knowledge to tackle the

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<sup>1</sup> <https://www.mordorintelligence.com/industry-reports/india-waste-management-market>



challenges plaguing this industry. Currently there are around 20-30 participants in the market offering various services. Some of the participants primarily focus on logistics providing only transportation and fleet management services. Whereas there are some which also concentrate towards infrastructure and environment services. Our main competitors are those entities which are involved in disposing of municipal waste. Landfills is one of the most popular methods of waste disposal in India, as more than 50% of the total solid waste generated is untreated and dumped into landfills, primarily due to inefficient waste management systems in India. Most of our contracts are won through competitive bidding process. Competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed.

### Human resources and processes

We believe that motivated and empowered employees are the key to our operations and effective implementation of our business strategy. We focus on attracting and retaining finest possible talent. We focus on facilitating integration of our employees and encouraging the development of skills to support our performance. Our recruitment process is very selective and need-based. We have well documented procedures and standards in place which are followed during recruitment of new employees.

*A breakdown of our employees as on date of this Draft Prospectus is given below*

| Sr. No. | Department                                 | Headcount |
|---------|--|-----------|
| 1       | Procurement                                | 2         |
| 2       | HR & Administration                        | 11        |
| 3       | Process & Design                           | 3         |
| 4       | Electrical, Instrumentation and Automation | 1         |
| 5       | Mechanical                                 | 2         |
| 6       | Technical                                  | 1         |
| 7       | Business Development                       | 4         |
| 8       | Accounts & Finance                         | 5         |
| 9       | Operations & Maintenance                   | 2         |
| 10      | Civil & Designing                          | 3         |
| 11      | Legal & Compliances                        | 1         |
| 12      | Research and Development                   | 1         |
|         | <b>Total</b>                               | <b>36</b> |

*A breakdown of our employees at SBESPL is given below:*

| Sr. No.   | Department                                 | Headcount  |
|---|--|------------|
| On SBESPL payroll,  |  |            |
| 1   | Process                                    | 25         |
| 2   | Maintenance                                | 7          |
| 3   | Accounts and Purchase                      | 1          |
| 4   | Stores                                     | 2          |
| 5   | Human Resource and Administration          | 3          |
| 6   | Electrical, Instrumentation and Automation | 6          |
| 7   | Marketing and Sales                        | 1          |
| 8   | Safety                                     | 11         |
| 9   | Plant Head                                 | 1          |
| 10  | Operations                                 |            |
| Apart from the above mentioned, SBESPL also employs workers on contractual basis and voucher-based payments |  |            |
| 11  | Operations (on contractual basis)          | 58         |
| 12  | Process (on voucher based payments )       | 6          |
| 13  | Administration (on voucher payments)       | 3          |
|   | <b>Total</b>                               | <b>124</b> |



## **Health safety and environment**

Our company and all our SPV's adhere to all the applicable health and safety requirements in all our operations. We aim to plan and design all our plants in a manner to reduce accidental and occupational health hazards to minimalistic levels. We assure such hazards are reduced through systematic evaluation and control of risks. We ensure high standards of safety, health and environment at our sites throughout the multiple stages of the project. We indulge in actively educating, communicating and imparting training on safety measures, health, hygiene and environment to all our laborer's, employees, contractors, consultants, and visitors. We focus on adopting the best practices to foster continuous improvement, benchmark Health, safety and environment performance and aim to comply with all applicable legal and other compliances attached to the project.

Usually, all contracts entered into with municipal corporations provide specific health and safety standards that require compliance throughout the course of the respective projects. Often third parties involved also provide certain health and safety guidelines to be complied with during the course of completion of contracts/agreements. Our company ensure adherence to all guidelines and requirements, and makes provisions of safety equipment such as gloves, gumboots, helmets, masks, uniforms etc. to all the staff on site in a timely manner. The company also conducts medical camps for all the staff working on various projects at all the sites at regular intervals and ensures provision of any medical aid towards improvement of health of the staff.

## **Measures Taken During the Pandemic**

The company's operations were hampered during the lockdown to ensure safety for all the employees. Employees in the administrative, accounting, marketing, engineering and designing departments were asked to work from home to ensure safety and health of all. Office premises were closed throughout the multiple lock-downs declared by the authorities. We had provided all the necessary resources to our employees to operate from the safe abode of their homes. We also ensured the sanitization of all the office premises before restarting operations. Sanitization drives were also conducted at the plants for the safety and health of the staff. Appropriate masks were provided as per guidelines issued by the government authorities on timely basis for further safety and to ensure precaution in our fight against COVID-19. We ensured that all our staff at our premises vaccinated through Corporation designated medical centres.

## **(A) PRIMARY BUSINESS OF THE ISSUER;**

### **Primary projects we undertake**

Currently the company is focusing on waste management with vertical approach to centralized and Decentralized Processing & Disposal of MSW in a scientific manner and recovery of clean bio-fuel and other secondary raw materials for different streams of waste. This gives ORS a chance to participate in the bids floated by the Nodal Agencies (Municipal Corporations) and Private Industries in MSW, Agricultural & Industrial sectors. Ideally the tenders are based on processing waste in tons per day and the financial models in which these projects work vary from Turnkey, Built Own Operate and Transfer (BOOT) and Hybrid Annuity basis. We either participate directly or in consortium where the ultimate project is owned by the SPV created with our project partner. We have in the past have also acquired shareholding in SPV's, holding pre-existing concessions such as SBESPL

Presently we operate across two verticals namely;

### **Project developer & Technology Licensing with Engineering Procurement and Construction (EPC) division:**

Under our project developer & technology licensing vertical we primarily focus on arrangements with Urban Local Bodies (ULBs) on BOOT basis and on Public Private Partnership (PPP) model. Wherein our revenue stream is focused on sale of power/Compressed Biogas (CBG), sale of compost and even sale of scrap (such as plastic waste through agglomerates/Producer Responsibility Organization (PROs)). One can witness the Waste to Energy Plant based on DRYAD™ technology in Solapur, Maharashtra. The plant is run on BOOT basis and is successfully operational in the sector at a commercial level. This 400 TPD waste management plant has been recognized as one of the best practices by Government of India under clean India (Swachh Bharat) campaign operated by us through our 100% Subsidiary - Solapur Bioenergy Systems Private Limited. Under our EPC division we primarily focus on Technological support and equity participation, but the terms vary from case-to-case basis. Our income stream in such projects revolves around our set EPC margins which are between 15% to 18%, operation and management fees and dividend income received from our equity share.



### **Product vertical**

Our product vertical is engaged in designing and supplying certain key equipment required to set up MSW projects. Our plan is to augment the offering by acquiring exclusive marketing rights / manufacturing rights for other key equipment related to MSW processing.

### **Proposed additional line of business**

#### **Consulting vertical.**

We intend to start our consulting section to offer businesses in the waste management sector technical and financial advisory services. We have a team of engineers and specialists in waste management, which is still an underdeveloped field. With the knowledge we have gained over the past ten years, the data we have gathered, and the technology we have access to, we hope to transform the waste management industry.

### **(B) PLANT, MACHINERY, TECHNOLOGY, PROCESS, ETC.**

Our business is managed by a group of seasoned experts that are familiar with every facet of the recycling sector. With the most recent technical know-how, our company has been a significant force in the journey of achieving the environmental goals of the country. We have used the knowledge of our promoters to extend our capacities for the benefit of the business.

Our company, carries out waste processing in the following manners:

- a) On Municipality or Urban Local Body (ULB) Property: Our company processes the MSW at locations determined by the urban local bodies using its technology and knowledge. Our business establishes waste processing facilities to convert municipal solid waste (MSW) at regional locations into energy sources like bio-CNG, compost, etc. We have conducted such processing activities at local bodies of the municipalities of Delhi, Kolkata, Varanasi.
- b) On Plant: On sites that are leased from the ULB's, our company constructs specialised waste processing plants. Here, we have specialised machinery for processing and sorting MSW. Utilizing proprietary technology developed by our company, DRYAD™, MSW is processed to create compost, electricity, and other products. Our Solapur Plant is a one of its kind facility for processing MSW which has received several accolades.

#### **Solapur Plant**

One of our projects which we would like to highlight is our Solapur Plant. It is our first demonstration plant in Maharashtra. ORS through its subsidiary Solapur Bio-energy Systems Pvt. Ltd. (SBESPL) has commissioned a Waste to Energy Plant based on DRYAD™ technology in Solapur, Maharashtra in 2013. It is run on BOOT basis and is successfully operational in the sector at a commercial level. This 400 TPD waste management plant has been recognised as one of the case studies for best practices in MSWM by Government of India under clean India (Swachh Bharat) campaign.

The plant has capacity to process 400 TPD of waste to generate electricity and rich organic compost (*Suryodaya Green Gold Organic Compost*). The electricity generated is being wheeled (sold) to Maharashtra State Electricity Distribution Company Limited (MSEDCL). The compost generated from the plant is as per Fertilizer Control Order (FCO) norms and being sold to leading fertilizer companies.

Solapur Bio-energy Systems Pvt. Ltd. (SBESPL) bearing CIN: U40108MH2005PTC298301 a wholly owned subsidiary of ORSL has commissioned a Waste to Energy Plant based on DRYAD™ technology in Solapur, Maharashtra. It is run on BOOT basis and is successfully operational in the sector at a commercial level. The plant has the capacity to process 400 TPD of waste to generate electricity and rich organic compost (*Suryodaya Green Gold Organic Compost*). The electricity generated is being sold to Maharashtra State Electricity Distribution Company Limited (MSEDCL). The compost generated from the plant is as per Fertilizer Control Order (FCO) norms and being sold to leading fertilizer companies.





SBESPL has been purchased by ORSL vide a share transfer agreement dated September 1, 2022 from CICON which has since been struck off.

For details regarding the risk associated with Cicon Environment Technologies Ltd (CICON) kindly refer to our risk factors section starting on page No. 17 of this Draft Prospectus.

A land lease agreement was executed between Solapur Municipal Corporation (SMC) and Cicon Environment Technologies Ltd (CICON) wherein SMC has agreed to make available a plot of land admeasuring 9 Acres for a period of 29 years 11 months on lease basis from 1<sup>st</sup> July, 2004 to 30<sup>th</sup> May, 2035 to the Special Purpose Vehicle – Solapur Bioenergy Systems Private Limited.

Vide Concession Agreement dated 8.4.2004 SMC had agreed to allow CICON to form a “Special Purpose Vehicle” (SPV) being SBESPL. Vide Agreement to Takeover dated 1<sup>st</sup> September 2008 executed between CICON and ORS, CICON had approached ORS to play the role of Main developer/Investor/Promoter for the sole purpose of constructing, operating and maintaining the Project as per the terms and conditions of the concession agreement. Vide the takeover agreement CICON had agreed to transfer and ORS had agreed to assume the shareholding, management and control of the said SPV i.e., SBESPL along with the said project. Accordingly, SBESPL assumed all the rights and obligations under the said concession agreement.





### Salient features of the plant:

|                                  |  |
|----------------------------------|--|
| Installed Capacity               | 400 TPD                                  |
| Waste Delivered by ULB           | 300 TPD                                  |
| Power generation capacity        | 3MW                                      |
| Proposed CBG Generation capacity | 3.5 tons per day                         |
| Dry Compost Generation Capacity  | 60 TPD                                   |
| Dry Compost Generation           | 30 TPD                                   |
| Type of waste processed          | OFMSW, Press-mud & Biomass (Tendu Patta) |

- Amongst the largest OFMSW digester in country operational since 2013
- Ministry of Urban Development has showcased Solapur Project as a case study for a model project under the “Swachh Bharat Abhiyaan”
- Operational plant based on bio methanation process (DRYAD™) in Solapur, Maharashtra
- FCO certified organic compost sold to leading fertiliser companies.
- The electricity is sold under Power Purchase Agreement (PPA) with MSEDCL since July 2013 which is valid for 20 years.

**Our Solapur Plant is a hugely successful demo plant which uses the DRYAD™ technology developed inhouse to convert MSW waste into electricity and compost and the plant has been running successfully since last 9 years.**

### Technology used at Solapur Plant

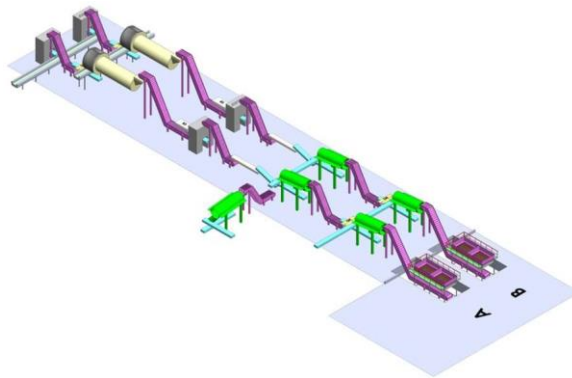
In our endeavor to provide an environmental friendly solution for treatment of MSW, we have developed our patented segregation technology and DRYAD™ – Anaerobic Digester Technology based on the principles of Thermophilic biomethanation.

The success of ORS lies in its managing two critical phases of process – the segregation system that has been developed as per India’s MSW waste characterization and enhancement in its Anaerobic Digester treatment. With this segregation system, the plant recovers almost 80-85 % of organic content from the unsegregated waste which is then transferred to a homogenization chamber for thermophilic treatment and then to the bio-digester tanks for biomethanation. The pictorial representation is shown below:



## A. Segregation Technology

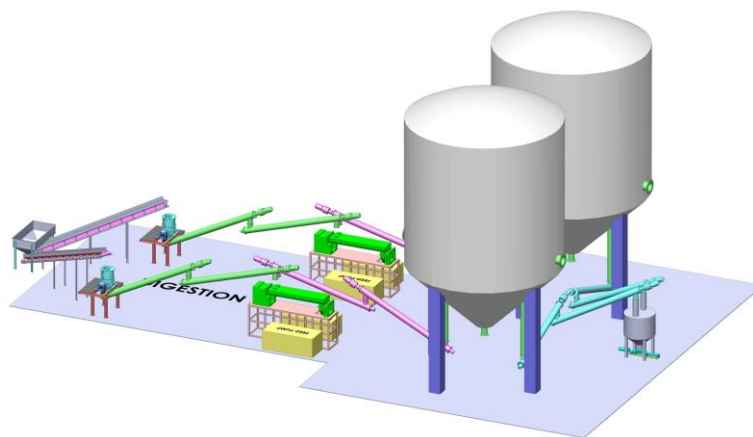
The segregation technology developed by ORS ensure separation of different stream of waste fraction and that it can be integrated with various processing technologies



## B. Anaerobic Digestion

### DRYAD™

The flexibility of the DRYAD™ technology allows the treatment of a wide range of different feed materials. The bio-gas generated from the process is used to generate energy & the digested residue is extracted from the digester, de-watered to a Total Solid (TS) content of about 50% and stabilized aerobically during a period of approximately one to two weeks. The aerobic maturation ensures complete stabilization of the material, which cannot be degraded any further under anaerobic conditions. The final product is hygienically very safe and stabilized as per the international standards. The process ensures multiple revenue streams from sale of renewable energy, bio-CNG, bio-fertilizer and Voluntary Emission Reduction (VERs) Credit generated through processing of MSW and other feed stocks.



### Offtake arrangements (selling compost / biofuel / electricity/ Recyclables etc)

We have an off-take agreement for Compost with large fertilizer companies and a Power Purchase Agreement for electricity from our Solapur plant. We are currently negotiating off take agreements for plastics and other recyclables from our plant. We also have ongoing discussions with certain ULB's, State transport, PSU's for off take of CBG from our future projects. We may enter into confirmed agreements with either of the Oil PSU, ULB's or state transport, once we secure new projects as based on the region and presence of the said PSU in that region.



Also, we are closely working with recyclers for direct off take of recyclables being collected and sorted at various facilities that shall aid in-house projects as well as third party EPC projects as end to end solution provider.

### **Quality management**

We aim to deliver high quality of service constantly at all stages of our project. Most of our contracts also have Quality Assurance System (QAS) in place. Our company plans and deploys the project as per the specification, standards and conditions mentioned in the Quality Assurance Plan (QAP). Our quality management function processes are primarily concerned with ensuring that the project satisfying the need for which it was undertaken. The results of quality management processes are fed back into the overall Project Management System for the purpose of not only improving the Project Quality Assurance System, but also to ensure that lessons learned can be utilized on future projects.

### **Insurance**

The company has a policy which provides appropriate coverage in relation to the vehicle owned by the company. Our material subsidiary – Solapur Bioenergy System Private Limited (SBSPL) maintains a range of insurance policies to cover various assets, risks and liabilities. The policies provide appropriate coverage in relation to equipment and vehicle. Apart from this SBSPL also has a policy which covers the building, plant, machinery, raw material and finished goods. The whole plant in Solapur is insured at replacement value. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to materially insure our business and operations.

### ***Suryodaya Green Gold Organic Compost***

The organic compost produced by SBESPL is a dark brown to black coarse organic powder made from bio-degradable organic waste through DRYAD™ process. Its moisture content is 19.31 % with a bulk density of 0.60 gm/cm<sup>3</sup>. It is free from foul odour, plastics, glasses and other non-biodegradable waste. It is tested and approved as per FCO norms and is also free from hazardous sources spreading pests and diseases. Hence, it can be used effectively by farmers, nature lovers and consumers to yield good quality and quantity of crops.

SBESPL has been marketing, manufacturing and selling organic compost to the large-scale chemical and fertilizer companies. It's also sold directly to farmers across Maharashtra to improve the quality of their soil and yield good returns on their crops.

### **SBESPL Next Phase:**

SBESPL project is now undertaking the second phase of activity focusing on dry waste fraction management. The company is engaged in exploring the following product development avenues :

1. Refused derived fuel (RDF): Our company is utilizing the processed MSW to generate RDF which is required by Cement Industries. Various quantities of the test material have been provided to cement manufacturers and have passed the criteria. Currently, commercial discussions are ongoing for long term off take. Potential to produce 50 TPD of RDF.
2. Biomass Pellets via tendu patta: The plant has started producing Biomass pellets and has provided Test material to co-gen industries which has shown good results. Currently, commercial discussion are ongoing for long term off take and with a target of further increasing production to a potential of 5TPD of biomass pellets.
3. Coconut waste to activated carbon : Our company is at the moment undertaking Research & Development to enhance the quality of carbon black or activated carbon derived from coconut waste.
4. Material Recovery Facilities (MRF): Deployed MRF at various locations under solapur municipal corporation to collect, segregate and sell good quality of recyclable plastics. Out of the 10TPD potential of MRF, the company has secured 1 TPD already at one of the transfer stations.



**(C) DESCRIPTION OF SUBSISTING COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS, INFRASTRUCTURE FACILITIES FOR RAW MATERIALS AND UTILITIES LIKE WATER, ELECTRICITY, ETC.**

**Orders under execution:**

MOU with White Organic Retail Limited (WORL) – The Company has entered into a Memorandum of Understanding with WORL on December 28, 2022, Mumbai to provide comprehensive solutions for agricultural waste management in the states of Punjab, Haryana and Maharashtra. Salient features of the MOU is given below :

WORL is in the business of retail and wholesale trading of agro produce, processing of Agriculture products and allied activities. With an objective to expand its footprints in agro waste processing, WORL has decided to collaborate with ORS to acquire projects in Agricultural waste management sector as ORS has experience in building and managing multiple waste management projects. As per the terms of the MOU, WORL has agreed to pay a sum of Rs. 6 crores (Rs. 60 lakhs to ORS and balance Rs. 540 lakhs to Solapur Bioenergy System Private Limited (SBSPL) towards one time technological and operational sub-licensee fee for exclusive partnership rights for development of 1,000 MT/day (aggregate) processing capacity plants in next 3 years. ORS shall be the exclusive EPC partner for the said projects. The overall value of such contracts, as and when finalized, is estimated to be over Rs. 300 crores to be developed over the next 3 years. As per the terms agreed between the parties, ORS and SBSPL have collectively received initial fees of Rs. 1 crore from WORL and the balance amounts are agreed to be remitted in instalments as per the progress.

• **EPC contract for setup of 100 TPD Composting facility at Kalyan Dombivli, Maharashtra**

Our Company directly has recently received contract for Construction of Integrated Solid Waste Management Facility (ISWMF) (Phase-I) along with Operation & Maintenance, at reserved site no 232 Dombivli (West) from Kalyan Dombivli Municipal Corporation .

The contract is for construction of waste management facility along with operation & maintenance (O&M) of the facility. The construction period is for 12 months followed by O&M of the facility for 3 years. The contract value is Rs. 22.74 crore.

**Orders under negotiation :**

• **EPC contract for setup of 200 TPD Waste Processing facility at Kannur, Kerala**

Our Company in consortium with M/s Blue Planet Environment Solutions India Pvt Ltd has bid and was awarded the concession to set up and operate an integrated solid waste management project with a Waste to Energy (WTE) plant with a minimum processing capacity of 200 TPD on DBFOT basis at Chelora Kannur District. The value of the contract is estimated to be about Rs. 77 Crores.

The project will be undertaken by an SPV named as Blue Planet Kannur Waste Solutions Private Limited in which our company owns 26 percentage equity ownership.

• **EPC contract for setup of 20 TPD Waste Processing facility at Munnar, Kerala**

The Company is in advanced stage of negotiations for an EPC contract for 20 TPD Municipal Solid Waste Processing and Disposal at Munnar, Kerala from Al Bucheeri General Transport Est. The project involves processing of waste to generate bio gas & bio fertilizer (compost). The value of the contract would be Rs. 4.50 crore and the project duration would be 12 months. The proposed SPV for the same is Travancore Environmental Resources Management Private Ltd and we propose to own 26 percent equity ownership in the said SPV.

**Orders completed:**

Monetisation of Palakkad project -

ORS had entered into Engineering Procurement and Construction (EPC) Contract on December 14, 2020 with Blue Planet Palakkad Waste Solutions Private Limited (Blue Planet) for setup of 200 TPD Waste Processing facility at Palakkad, Kerala Blue Planet belongs to the Blue Planet Environmental Solutions group based in Singapore which specialises providing waste management and processing solutions for municipal solid waste (MSW), plastic / medical / e-waste etc. In this project, Blue Planet group is responsible for meeting the financial capacity requirements and ORS responsible for meeting the technical capacity requirements.



The Palakkad project was facing regulatory delays beyond the control of the parties concerned. Given that ORS had been continuously deploying resources for the project, and has now other multiple project opportunities. For better optimization, ORS has requested the Developer for an early resolution for services provided till date by ORS with an understanding to review the project once the Developers permissions are received and the land is allotted. Based on discussions, it was decided to amend the EPC Agreement for better utilisation of respective resources and accordingly amendment agreement dated December 31, 2022 was entered into between the parties. The salient features of the amendment agreement are given below :

The Purchaser (i.e. Blue Planet) and Contractor (i.e. ORS) have noted and agreed that despite constant efforts by each Party, there has been a significant delay in land allotment for the Project by KSIDC, and consequently the Contractor has only carried out the Basic Engineering and Detailed Engineering works under the EPC Contract.

The parties agree and acknowledge that the Contractor has completed all the basic and detailed engineering works.

The Purchaser hereby agrees to pay to the Contractor, the Contract Price in consideration of the performance by the Contractor of its obligations identified under this Contract Agreement. The Contract Price shall be an amount of Rs. 13,28,71,000/-, exclusive of GST, payable in relation to the Basic Engineering (Rs. 3,28,71,000/-) and Detailed Engineering works (Rs. 10,00,00,000/-). It was also agreed that upon receipt of the consideration as aforesaid, ORS shall proceed to repay outstanding loan availed from Standard Chartered Bank. The entire sum has been realized and the said loan also has been repaid on March 18, 2023.

- **EPC contract for setup of 5 TPD Organic Waste to CBG Processing facility at Kolkata, West Bengal**

Our Company has entered into a contract with Kolkata Municipal Corporation on 12 April 2021 for construction design, engineering, supply, installation, commissioning of a 5 TPD facility to process organic waste for generation of Bio-CNG at Dhapa dumping ground. The construction period is 90 days followed by operation & maintenance of the facility for a period of 5 years.

The Plant has been installed and commissioned on 26th September 2022. The contract value is Rs. 4.44 crore.

- **Product supply to Indian Oil Corporation Limited for Varanasi, Uttar Pradesh**

ORS was awarded a contract to undertake, install, commission and operation and Maintenance (O&M) of pre-fabricated containerized waste to Biogas plant under Build-Operate-Transfer Model at 10 sites in Varanasi. A tripartite agreement for the project was also executed on 24.06.2016 between M/s. Indian Oil Corporation Limited (IOCL), M/s. Varanasi Nagar Nigam and M/s. ORS.

The term of the contract also involved operation and maintenance activities of the project for a period of 3 years after project commissioning for all the 10 pre-fabricated containerized Organic Waste processing plants installed under the project.

The total value of this contract was Rs. 18.75 Crore.

However, the Varanasi Nagar Nigam was able to allocate only 3 out of the 10 identified locations for the said project. Accordingly, our Company has completed the commissioning of 5 TPD pre-fabricated containerized waste to Biogas plant on turnkey basis as well as its operation & maintenance under Build-Operate-Transfer Model at 3 sites in Varanasi.

- **Product supply to Delhi Municipal Corporation, Delhi**

Our Company in the year 2018 was awarded contracts for planning, designing, engineering, procurement, supplying, installation, testing, commissioning and comprehensive operation and maintenance of 5 MTPD containerized bio-methanation plants for treating biodegradable waste to generate electricity and enriched organic manure at 10 different sites in Delhi for a period of 5 years in.

- 2 sites under the jurisdiction of East Delhi Municipal Corporation valued at Rs. 6.38 Crores
- 4 sites under the jurisdiction of South Delhi Municipal Corporation valued at approximately Rs. 12 Crores; and
- 4 sites under the jurisdiction of North Delhi Municipal Corporation valued at Rs. 12.76 Crores.

Presently, the Company is operating & maintaining the above sites. Recently, the Company has filed arbitration petitions before Delhi High Court under section 9 & 11 of the Arbitration and Conciliation Act, 2015 for payment of outstanding dues from the corporation. The abovementioned projects have been terminated with effect from August 2022.

For more details kindly refer to our litigation section on page no. 216 of this Draft Prospectus.



## Orders cancelled / under litigation:

- **Meerut Project**

ORS was awarded a concession by the Nagar Nigam Meerut (NNM) in the year 2017 to design, construct and install a plant for treatment of 800 TPD MSW on a site admeasuring 15 acres on DBOOT basis. The land for the project was leased from NNM for a period of 25 years. A SPV called Meerut Bioenergy Systems Private Limited was created to undertake the project, The SPV is presently a wholly owned subsidiary of ORS

However, the said project never materialized as the state government had allotted the same project to another entity and is now subject of a pending proceeding with the Hon'ble Allahabad High Court. For further details please refer to our litigation chapter on page no. 216 of this Draft Prospectus.

- **Organic Waste India Private Limited (OWIPL)**

### **Bruhat Bangalore Mahanagar Palike (BBMP)**

Organic Waste India Private Limited (OWIPL) was a Special Purpose Vehicle incorporated by ORS for undertaking the project at Bangalore. BBMP had granted M/s. Organic Waste India Pvt. Ltd. to investigate, study, design, engineer, procure, finance, construct, operate and maintain the Project facilities to receive 1000 MT per day of MSW from BBMP for a period of 20 years at Sy. No. 155, Mandur, Biderahalli Hobli, Bangalore. The term of the contract was 450 days i.e., 31.08.2009 to 24.11.2010. It received investments from Sunilhitech India Infra Private Limited (SHIL) and Vide MOU executed on 29.12.2014 shareholding of SHIL in OWIPL were transferred to ORS. In the meantime, OWIPL had set up an interim composting facility at the site for processing 300 TPD of MSW. OWIPL is now a wholly owned subsidiary of ORS having CIN: U40108MP1997PTC012063.

The said Integrated Waste Management Facility in Mandur could not be established fully and OWIPL proposed to shift the setting up of the said plant from Mandur to Kannur. Vide letter dated 05.01.2016. BBMP had informed OWIPL that the request for alternate land at Sy. No. 50, Kannur Village, Biderahalli Hobli, Bangalore East, Taluk, to the extent of 15 Acres had been approved vide Government Order dated 03.11.2015. In view of the grant of alternate land OWIPL was requested to submit a Bank Guarantee for an amount of Rs. 1,00,00,000/-

Unfortunately, this project has since been closed as no alternative land was eventually awarded. Further the subsidiary received equity investments by West Coast Ventures Private Limited which is under investigations from regulators. For further details refer to our litigation chapter and risk factor.

### **Summary of our Orderbook**

| Sr. no | Particulars of the Project   | Status          | Contract value (in Rs. crores) |
|--------|--|-----------------|--------------------------------|
| 1      | Trading of Laboratories Equipment  | In progress     | 6.66                           |
| 2      | EPC contract for setup of 100 TPD Composting facility at Kalyan Dombivali, Maharashtra | In progress     | 22.74                          |
| 3      | EPC contract for setup of 200 TPD Waste Processing facility at Kannur, Kerala          | To be commenced | NA                             |
| 4      | EPC contract for setup of 20 TPD Waste Processing facility at Munnar, Kerala           | To be commenced | 4.50                           |

### **(D) PRODUCTS OR SERVICES OF THE ISSUER:**

The Company along with its subsidiaries offers various product and service offerings. A summary of such products and service offerings along with the details of the end users and the marketing approach adopted by the company for each of these products and service lines is summarized below:

| Sr.no. | Product          | End User / Services provided     | Marketing approach       |
|--------|------------------|----------------------------------|--------------------------|
| 1      | Power generation | Electricity distribution company | Power Purchase Agreement |



|   |                              |  |   |
|---|------------------------------|--|---|
| 2 | Compressed Biogas            | Urban Local Body (ULB) /private industry/CNG Vehicle user / Public Sector Undertakings (PSU) | Offtake Agreement with ULB / PSUs   |
| 3 | Compost                      | Farmers/Fertiliser company   | <ul style="list-style-type: none"> <li>• Agreement with large fertilizer companies.</li> <li>• Direct sale to farmers</li> <li>• Direct Retail</li> </ul>                                 |
| 4 | RDF                          | Cement industry & Waste to energy plant operators  | Tie-up with cement industries near Solapur for co-processing.   |
| 5 | Activated carbon             | Gas and waste water industries   | <ul style="list-style-type: none"> <li>• Selling through dealers, who are already selling activated carbon</li> <li>• Direct to industries working with gas management systems</li> </ul> |
| 6 | Biomass pellets              | Biomass boilers, cement industries and power generation companies                            | <ul style="list-style-type: none"> <li>• Agreement with power generation companies</li> <li>• Cement Industries</li> <li>• Biomass boiler suppliers.</li> </ul>                           |
| 5 | Dry waste recycling          | Aggregators & recyclers  | Establishment of MRF at various location in solapur and tie-up with recyclers across Maharashtra, Gujarat, Andra Pradesh and Telengana  |
| 6 | MLP under EPR                | Cement industries  | Agreement with PROs, who deal with EPR.   |
| 9 | Laboratory analysis services | Waste water, waste management & fertiliser Industries  | Long term agreement with industries having regular analysis requirement.  |

## (2) BUSINESS STRATEGY:

- Taking Leverage of existing operational projects, we continue to bid for new opportunities in MSW sector so as to selectively consolidate BOOT portfolio in consortium with city gas distribution companies or private developers creating hybrid EPC opportunity.
- Continue to bid for direct EPC opportunities through public tenders floated by PSU's mandated to set-up MSW to CBG projects under SATAT Guidelines.
- Create technology licensing opportunities with private developers for setting up codigestion projects based on agro feedstocks.
- Expand regional footprint by partnering with localised developers/ city gas distribution companies/ integrated waste management companies.
- Create backward and forward integration by collaborating, acquiring, licensing technologies for feedstock management , gas purification and compression , retail pumps , EV charging stations so as to create an integrated platform across green fuel value chain.
- Create manufacturing facility to manufacture critical components , manage supply & servicing of proprietary equipment and localisation of licensed technology so as to improve margins in the value chain.
- Creation of consulting vertical through acquisition, , so as to provide consulting services as owner's engineers / Lender's engineers and other engineering services , feasibility studies / TEV studies to financial institutes, other project developers ensuring fair, transparent & arm's length contracts without creating conflict of interest.





- Capitalize on the growth opportunities in the MSW management sector by continued focus on developing, providing and executing technologies and services

The MSW management sector in India is poised for significant expansion and we intend to partake in the sectoral growth. Our business is largely dependent on our bidding for and winning new projects. We believe that our past experience, financial strength, acumen and resultant credentials will make us eligible to bid for most projects that come up for bidding in the MSW management sector. We will continue to pursue a broad range of projects in urban or semi-urban areas with limited counter-party risk and healthy operating margins in-line.

In addition to the public sector linked opportunities, we see a huge scope of opportunities in service and product division within waste management ecosystem. We will be focusing on developing various products that bridge the gap in existing technologies or process and also provide engineering services based on the data collected over 10 years.

### **Business development**

The contracts are acquired through a tedious competitive bidding process. We have specialized experts on board who persistently approach and pitch to several municipal corporations across various cities in India. We aim to generate opportunities and assist authorities and corporations in recognizing the benefits of developing an MSW project/plant in their cities. We attempt to highlight the benefits of having a planned and organized MSW system in districts by exhibiting our plant at Solapur.

Additionally, potential prospects are brought to our attention through discussions with consultants and local contacts, existing clients and partners, as well as through publication of notifications for tender in local and national publications. On receipt of any opportunity we assess the requirement and liaisons with the design, engineering, accounts and operations team to prepare for the tendering and bidding.

### **(3) CAPACITY AND CAPACITY UTILISATION OF THE PLANT AT SOLAPUR:**

| Sr.no. | Product                             | Installed capacity | Average Capacity Utilisation in last three years |
|--------|-------------------------------------|--------------------|--|
| 1      | Organic fraction processing (daily) | 200 TPD            | 100 TPD  |
| 2      | Power generation (hourly)           | 3 MW               | 1.5 MW   |
| 3      | Compost (daily)                     | 60 TPD             | 30 TPD   |
| 4      | RDF (daily)                         | 100 TPD            | 54.50 TPD  |
| 5      | Dry waste recycling (daily)         | 1 TPD              | 0.94 TPD   |
| 6      | MLP under EPR (monthly)             | 100 Tons per month | To be initiated                                  |



#### **(4) INTELLECTUAL PROPERTY RIGHTS:**

##### **Intellectual property**

We have been granted a patent jointly with Mr Suhas Bhand on our indigenously developed “Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein” for a period of 20 years from 7 June 2014. We had also applied for a patent (Application number 202122036579) for the equipment (MARUT) to be used in the patented process. The Patent Office, Government of India, has granted the Patent against the above application vide Patent No. 438004. The patent has been granted on July 10, 2023 for a period of 20 years from June 7, 2014.

Our Company holds one registered trademark in India, namely “DRYAD”. The trademark is in respect of services relating to design engineering for processing of organic waste and recovery of energy and compost; by the use of anaerobic digestion process; services relating to pre-treatment of mixed waste; scientific, research and technological services. The technology is capable of processing large quantity mixed Organic fraction from MSW, cow manure, Agro waste, press mud, Industrial Waste ranging from 50TPD to 1000TPD and can be customized to another biodegradable fraction as per the project requirement.

The flexibility of the DRYAD™ technology allows the treatment of a wide range of different feed materials. The bio-gas generated from the process is used to generate energy & the digested residue is extracted from the digester, dewatered to a Total Solid (TS) content of about 50% and stabilized aerobically during a period of approximately one to two weeks. The aerobic maturation ensures complete stabilization of the material, which cannot be degraded any further under anaerobic conditions. The final product is hygienically very safe and stabilized as per the international standards. The process ensures multiple revenue streams from sale of renewable energy, bio-CNG, bio-fertilizer and VERs Credit generated through processing of MSW and other feed stocks.

#### **(5) PROPERTY:**

Our registered office and corporate Office is located at 1003, 10<sup>th</sup> Floor, The Affaires, Plot No 9, Sector 17, Sanpada, Navi Mumbai, Mumbai City, Pin : 400705, India. This property is on rental basis.

Our Solapur Plant is situated on a land admeasuring nine acres leased from the Solapur Municipal Corporation for a period of 29 years and 11 months for the period from 1 July 2004 to 30 May 2035 through a land lease agreement between SMC and Cicon Environment Technologies Limited with a provision to transfer the rights of the lease agreement to the SPV named Solapur Bioenergy Systems Private Limited.



## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local byelaws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of integrated facilities management services industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the 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. The regulations set out below may not be 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 following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. The description may not be exhaustive and is only intended as a substitute to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. For further information, see “Government and Other Approvals” on page no. 230 of this Draft Prospectus.

### APPLICABLE LAWS AND REGULATIONS

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **The Micro, Small and Medium Enterprises Development Act, 2006**

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. As per the revised classification via Notification no. CG-DL-E-01062020-219680 applicable w.e.f. from July 1, 2020, an enterprise would be classified as : “**micro enterprise**”, where the investment in plant and machinery or equipment does not exceed one Crore rupees and Turnover does not exceed five Crore rupees; “**Small enterprise**”, where the investment in plant and machinery or equipment does not exceed ten Crore rupees and Annual Turnover does not exceed fifty Crore rupees; or a medium enterprise , where the investment in plant and machinery or equipment does not exceed fifty Crore rupees and the Annual Turnover does not exceed Two hundred and Fifty Crore rupees.

#### **INDUSTRIAL POLICY OF RELEVANT STATE**

##### **Industrial Policy of Maharashtra 2019**

The policy is applicable for 5 years from April 01, 2019. The objective of the policy is to retain leadership position in industrial investment by providing conducive business environment, sustain high levels of employment generation, primarily through MSME promotion, promote regionally balanced, environmentally sustainable and inclusive industrial growth. The target is to attain manufacturing sector growth rate of 12% to 13% to reach GSDP share of 25% by 2023-24, attract investments worth RS 10 lakh crore by 2023-24 and create employment opportunities for 40 lakh people by 2023-24.

#### **ANTI-TRUST LAWS**

##### **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission



and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE**

### ***The Companies Act 1956 and the Companies Act, 2013***

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for 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 procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It 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., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

## **EMPLOYMENT AND LABOUR LAWS**

### ***The Code on Wages, 2022***

The Code on Wages, 2019 (The “Code”) seeks to amend, consolidate and regulate the laws relating to wage and bonus payments in all employments and matters connected therewith or incidental thereto and aims at providing equal remuneration to employees performing work of a similar nature in every industry, trade, business or manufacture. The Code subsumes and repeals the provisions of four statutes -- the Payment of Wages Act, 1936 which ensures that payment of wages to employees are disbursed on time and no undue deductions are made, the Minimum Wages Act, 1948 which enables fixing of minimum rates of wages in certain employments, the Payment of Bonus Act, 1965 which provides for payment of bonus to persons employed in certain establishments on the basis of profit or productivity, and the Equal Remuneration Act, 1976 which aims to mandate equal remuneration to prevent gender discrimination in employment matters. Further, the Ministry of Labour and Employment has also notified the Draft Code on Wages (Central) Rules, 2020 under the Code.

29 Labour Laws have been codified into 4 Labour Codes. The Wage Code in which the Central Government has amalgamated 4 laws for ensuring workers’ right to minimum wages, the Social Security Code comprising of 9 laws, the Occupational Safety, Health and Working Conditions Code, 2020 comprising of 13 laws and the Industrial Relations Code with 3 laws. These labour reforms will enhance ease of doing business in the country.

The Code on Wages shall come into force on such date as may be prescribed by the Central Government by way of a notification of the Official Gazette. However, certain provisions pertaining to the composition and duties of the Central Advisory Board as encompassed in Section 42, Section 67 and Section 69 of the Code have been brought into force by the Ministry of Labour and Employment vide Notification dated December 18, 2020.

### ***Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952***

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.



### **The Employees Compensation Act, 1923**

The Employees Compensation Act, 1923 (“EC Act”) (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\ serious bodily injury.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

### **The Employees’ Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Employees’ State Insurance Act, 1948 (the “ESI Act”)**

The Employees’ State Insurance Act, 1948 (the “ESI Act”) an 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. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. 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.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year 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.



### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both



defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough, precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assesses are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

### **Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975**

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 the West Bengal, Jharkhand, Odhisa, Chattisgarh, Assam, Bihar, Tripura, Delhi, Haryana, Madhya Pradesh, Punjab, Uttar Pradesh, Uttrakhand, Himachal Pradesh, Tamil Nadu, Kerala, Karnataka, Telangana, Andhra Pradesh, Puducherry, Rajasthan, Maharashtra, Gujarat are 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 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.

## **OTHER LAWS**

### **The Factories Act, 1948 (“Factories Act”)**

The Factories Act, 1948 aims at regulating labour employed in factories. A “factory” is defined as “any premises wherein ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on.”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **Industrial Disputes Act (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

### **Shops and establishments laws**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws 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.

The Maharashtra Shop and Establishment (Regulation of Employment and Conditions of Service) Act, 2017 is applicable to our Company.





## **ENVIRONMENTAL LEGISLATIONS**

### ***The Environment Protection Act, 1986 and the Environment (Protection) Rules, 1986***

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a framework for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### ***The Public Liability Insurance Act, 1991***

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### ***National Environmental Policy, 2006***

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation

### ***Solid Waste Management Rules, 2016***

The Solid Waste Management Rules, 2016 shall apply to every authority responsible for collection, segregation, storage, transportation, processing and disposal of solid wastes. The operator of a facility involved in collecting, segregating, storing, transporting, processing and disposal solid wastes and any other agency appointed for the management and handling of solid wastes is required to obtain authorizations from the State Pollution Control Board. Any solid waste generated is required to be managed and handled in accordance with the procedures specified in the Solid Wastes Rules.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The TradeMarks Act, 1999
- Design Act, 2000



### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Trademarks Act, 1999**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **Designs Act, 2000**

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### HISTORY OF OUR COMPANY

Our Company was originally incorporated on August 29, 2008, as a private limited Company under the name and style of Organic Recycling Systems Private Limited under the provisions of Companies Act, 1956 with the Registrar of Companies, Mumbai vide CIN U40106MH2008PLC186309. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on Monday, September 26, 2022 our Company was converted into a Public Limited Company and the name of the Company was changed to Organic Recycling Systems Limited vide a fresh Certificate of Incorporation dated 29<sup>th</sup> September 2022 issued by Registrar of Companies, Mumbai.

Organic Recycling Systems Limited has been a forerunner in providing sustainable waste management solutions in India since 2008. We successfully set up India's first MSW processing and disposal plant based on DRYAD<sup>(TM)</sup> process in Solapur, Maharashtra to convert Organic fraction of Municipal Solid Waste (OFMSW) into electricity and compost. Our Solapur plant was recognized as a case study under best practices for MSWM processing by the Swachh Bharat Mission by the Government of India. Our focus primarily has been on developing robust, cost effective & environment friendly technologies that are simple to operate. We are determined to become one of the leading technology providers in Asian region for mitigating waste management challenges by promoting sustainable technological innovations right from community level solutions to large scale end-to-end infrastructure solutions for effective handling & scientific processing & disposal of municipal wastes. Our projects are implemented keeping in mind positive social impact on environment & well-being for society at large. Driven by principles of circular economy, we are committed to recover maximum resources from waste thereby reducing burden on landfills.

### CHANGES IN OUR REGISTERED OFFICE

Registered Office of the Company is presently situated at Office No. 1003, 10th Floor, The Affaires, Plot No 9, Sector 17, Sanpada, Navi Mumbai, Mumbai City 400705. The details of change in registered office of our Company has been as following:

| Date of Change        | From  | To   | Reason for Change                              |
|-----------------------|---|--|--|
| Date of incorporation | 613, 6 <sup>th</sup> Floor, A Wing, Arenja Corner, Sector 17, Vashi Navi Mumbai, 400703 | -  | Expansion of Business and Business Convenience |
| September 06, 2009    | 613, 6 <sup>th</sup> Floor, A Wing, Arenja Corner, Sector 17, Vashi Navi Mumbai, 400703 | 501, Centrium, Plot No.27, Sector 15, CBD Belapur, Navi Mumbai, 400614                                     | Business convenience                           |
| January 11, 2013      | 501, Centrium, Plot No.27, Sector 15, CBD Belapur, Navi Mumbai, 400614                  | 701 & 702, Lakhani Centrium, Plot No.27, Sector - 15, CBD Belapur, Navi Mumbai, 400614                     | Business convenience                           |
| October 10, 2016      | 701 & 702, Lakhani Centrium, Plot No.27, Sector - 15, CBD Belapur, Navi Mumbai, 400614  | 201 & 202, Lakhani Centrium, Plot No. 27, Sector-15, Belapur CBD, Navi Mumbai, Thane                       | Business convenience                           |
| December 24, 2019     | 201 & 202, Lakhani Centrium, Plot No. 27, Sector-15, Belapur CBD, Navi Mumbai, Thane    | Office No-1401, Plot No. 19, Sector No. 30A, Vashi, Navi Mumbai, 400703                                    | Business convenience                           |
| April 1, 2023         | Office No-1401, Plot No. 19, Sector No. 30A, Vashi, Navi Mumbai, 400703                 | Office No. 1003, 10th Floor, The Affaires, Plot No 9, Sector 17, Sanpada, Navi Mumbai, Mumbai City 400705. | Business convenience                           |



## MAIN OBJECTS OF OUR COMPANY

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 on the business of promotion and development of non-conventional energy resources whether solar, wind, biomass, fossils and industrial and urban wastes.
2. To design, install, commission, acquire, run, maintain, sale and to generally deal in power plants, and designs, manufacture, commission, patent, market other equipment based on non-conventional sources.
3. To design, manufacture, install, commission, and market biogas and other gas sweetening systems.

## AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:

Since incorporation, the following amendments have been made to the MoA of our Company:

| Date of Amendment  | Particulars of Amendment   |
|--------------------|--|
| Incorporation      | The Authorised Share Capital of the Company is Rs. 10,00,000/- divided into 1,00,000 Equity shares of Rs. 10 each amounting to Rs. 10,00,000/-   |
| August 23, 2013    | Increase in Authorised Capital of the Company from Rs. 10,00,000 to Rs. 45,00,000.<br>Bifurcation:<br>1. 100,000 Equity shares of Rs. 10 each<br>2. 300,000 Optionally Convertible Preference Shares of Rs. 10 each<br>3. 50,000 Non-Convertible Redeemable Preference Shares of Rs. 10 each   |
| February 29, 2016  | Reclassification of Authorised Capital of Rs. 45,00,000<br>1. 40,000 Equity shares of Rs. 10 each<br>2. 3,00,000 Optionally Convertible Preference Shares of Rs. 10 each<br>3. 1,10,000 Non-Convertible Redeemable Preference Shares of Rs. 10 each  |
| December 16, 2016  | New Set of Memorandum of Association in line with Companies Act, 2013 adopted vide Special Resolution passed in the Extra Ordinary General Meeting of Shareholders   |
| August 07, 2017    | Increase in Authorised Capital of the Company from Rs. 45,00,000 to Rs. 50,00,000.<br>Bifurcation:<br>1. 40,000 Equity shares of Rs. 10 each<br>2. 3,00,000 Optionally Convertible Preference Shares of Rs. 10 each<br>3. 1,60,000 Non-Convertible Redeemable Preference Shares of Rs. 10 each   |
| March 23, 2020     | Reclassification of Authorised Capital of Rs. 50,00,000<br>1. 40,000 Equity shares of Rs. 10 each<br>2. 2,86,400 Optionally Convertible Preference Shares of Rs. 10 each<br>3. 1,73,600 Non-Convertible Redeemable Preference Shares of Rs. 10 each  |
| May 17, 2021       | Increase in Authorised Capital of the Company from Rs. 50,00,000 to Rs. 20, 50,00,000.<br>Bifurcation:<br>1. 2,00,40,000 Equity Shares of Rs.10 each<br>2. 3,00,000 Optionally Convertible Preference Shares of Rs. 10 each<br>3. 1,60,000 Non-Convertible Redeemable Preference Shares of Rs. 10 each   |
| September 26, 2022 | Revision in MoA w.r.t. Conversion from Private Limited to Public Limited Company. Revision in name clause i.e Change of name from “ <b>Organic Recycling Systems Private Limited</b> ” to “ <b>Organic Recycling Systems Limited</b> ”<br><br>Bifurcation of Authorised Capital:<br><br>1. 2,00,40,000 Equity Shares of Rs.10 each<br>2. 3,00,000 Optionally Convertible Preference Shares of Rs. 10 each<br>3. 1,60,000 Non-Convertible Redeemable Preference Shares of Rs. 10 each |



## KEY EVENTS AND MILESTONES:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

|      |   |
|------|---|
| 2008 | – Formation of Organic Recycling Systems Private Limited to develop & promote technology for scientific & sustainable treatment of waste using Anaerobic Digestion Process.   |
| 2009 | – Acquisition of Solapur project under 100% Wholly owned subsidiary called Solapur Bioenergy Systems Private Limited for a Concession Period of 29 years & 11 Months from Cicon Environment Technologies Limited.<br>– .  |
| 2010 | – Start of Construction of 300 TPD MSW Processing Facility under 100% Subsidiary - Solapur Bioenergy Systems Private Limited based on the inhouse developed & validated technology called DRYAD™ based on the Principles of Anaerobic Digestion Process.  |
| 2011 | – Secured tariff fixation for a Waste to Bioenergy Plant using Cost Plus Methodology from both MERC & CERC therefore setting precedent for the Tariff fixation system for Biogas Projects.<br>– Solapur project availed Custom Duty Exemptions for a Waste Management Project   |
| 2013 | – Solapur facility achieved grid connectivity & commissioned its Biogas to Power Plant in July 2013 with MSEDCL.  |
| 2014 | – Started the Development of DRYCO-AD™ Technology for smaller application based on the same principal of DRYAD™ Technology & Anaerobic Digestion Process.   |
| 2016 | – Commercialized the Descaled DRYCO-AD™ Technology with award of Project from Indian Oil Corporation Ltd to be implemented in Varanasi, Uttar Pradesh.  |
| 2018 | – Secured contracts for setting up 5 TPD containerized bio-methanation plants for treating biodegradable waste to generate electricity and enriched organic manure and operation & maintenance of the plants for a period of 5 years at 10 different sites in Delhi: <ul style="list-style-type: none"> <li>• 2 sites under the jurisdiction of East Delhi Municipal Corporation</li> <li>• 4 sites under the jurisdiction of South Delhi Municipal Corporation; and 4 sites under the jurisdiction of North Delhi Municipal Corporation</li> </ul> |
| 2019 | – Secured 2 contracts from KSIDC for developing 200 TPD Integrated Waste Management & Processing Project each for Palakkad & Kannur Clusters in Consortium with Blue Planet Environmental Solutions India Private Limited. Our company has entered into contracts for setting up the projects and will be paid on completion of milestones.   |
| 2021 | – Secured contract from Kolkata Municipal Corporation for construction of 5 TPD facility to process organic waste for generation of Bio-CNG   |
| 2022 | – Received Work order for Construction of 100 TPD Integrated Solid Waste Management Facility along with operation & maintenance of the facility for a period of 3 years from Kalyan Dombivli Municipal Corporation<br>– Patent granted for the invention “ <i>Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein</i> ” for a period of 20 years w.e.f. June 2014  |
| 2023 | – Patent granted for the invention “ <i>Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein</i> ” for a period of 20 years w.e.f. June 2014  |

## DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of Our Company’s activity, business model, marketing strategy, strength, completion of business, please see ‘Our Business’, ‘Management Discussion and Analysis of Financial Conditions and results of operations’ and ‘Basis for Issue Price’ on page no. 86, 210 and 64 of this Draft Prospectus respectively.

## HOLDING COMPANY OF OUR COMPANY

Our Company does not have any Holding Company as on the date of filing of this Draft Prospectus.



## SUBSIDIARY COMPANIES OF OUR COMPANY

Our Company has following Subsidiaries as on the date of filing of this Draft Prospectus.

### 1. Solapur Bio-energy Systems Private Limited

#### *Nature of Business:*

The company was incorporated to engage in the construction, development and maintenance of Municipal Solid Waste to Energy project at Solapur

#### *Capital Structure:*

| Share capital   | Number of Shares<br>March 31, 2023 | Amount as on<br>March31,2023 |
|---|------------------------------------|------------------------------|
| <b>Authorized capital</b>   |                                    |                              |
| Equity shares of INR 10 each (Previous year : INR 10 each)                                  | 1,54,00,000                        | 15,40,00,000                 |
| 0% Non-cumulative Redeemable Preference Shares of INR 10 each (Previous year : INR 10 each) | 20,00,000                          | 2,00,00,000                  |
| <b>Total</b>  | <b>1,74,00,000</b>                 | <b>17,40,00,000</b>          |
| <b>Issued, subscribed and fully paid up share capital</b>                                   |                                    |                              |
| Equity shares of INR10 each (Previous year : INR 10 each)                                   | 1,54,00,000                        | 15,40,00,000                 |
| 0% Non-cumulative Redeemable Preference Shares of INR 10 each (Previous year : INR 10 each) | 19,30,000                          | 1,93,00,000                  |
| <b>Total issued, subscribed and fully paid-up share capital</b>                             | <b>1,73,30,000</b>                 | <b>17,33,00,000</b>          |

#### *Shareholding of the Issuer Company in the Subsidiary :*

##### *Equity Shares*

| Particulars   | Number of Shares<br>March 31, 2023 | % of holding |
|---|------------------------------------|--------------|
| Organic Recycling Systems Private Limited                                   | 1,53,99,999                        | 100.00%      |
| Sarang Bhand (Organic Recycling System Private Limited is beneficial owner) | 1                                  | 0.00%        |

##### *0% Non-Cumulative Redeemable Preference Shares*

| Particulars                               | Number of Shares<br>March 31, 2023 | % of holding |
|---|------------------------------------|--------------|
| Organic Recycling Systems Private Limited | 19,30,000                          | 100.00%      |



## 2. Organic Waste (India) Private Limited

### *Nature of Business:*

The company was incorporated as the SPV to engage in the construction, development and maintenance of Municipal Solid Waste to Energy project at Bangalore

### *Capital Structure:*

| Share capital   | Number of Shares<br>March 31, 2023 | Amount as on<br>March 31, 2023 |
|---|------------------------------------|--------------------------------|
| <b>Authorized capital</b>   |                                    |                                |
| Equity shares of INR 10 each (Previous year : INR 10 each)  | 7,50,000                           | 75,00,000                      |
| Compulsorily convertible preference shares of INR 10 each<br>(Previous year : INR 10 each)                                | 2,00,000                           | 20,00,000                      |
| Optionally convertible preference shares of INR10 each<br>(Previous year : INR 10 each)                                   | 50,000                             | 5,00,000                       |
| <b>Total</b>  | <b>10,00,000</b>                   | <b>1,00,00,000</b>             |
| <b>Issued, subscribed and fully paid up share capital</b>   |                                    |                                |
| Equity shares of INR 10 each (Previous year : INR 10 each)  | 1,13,504                           | 11,35,040                      |
| Optionally convertible preference shares of INR10 each<br>(Previous year : INR 10 each)                                   | 22,379                             | 2,23,790                       |
|   |                                    |                                |
| <b>Subscribed but not fully paid up share capital</b>   |                                    |                                |
| Equity shares of INR 10 each, partly paid up of INR 5 each<br>(Previous year : INR 10 each, partly paid up of INR 5 each) | 85,000                             | 4,25,000                       |
| <b>Total issued and subscribed share capital</b>  | <b>2,20,883</b>                    | <b>17,83,830</b>               |

### *Shareholding of the Issuer Company in the Subsidiary :*

#### *Equity Shares :*

| Particulars   | Number of Shares<br>March 31, 2023 | % of holding |
|---|------------------------------------|--------------|
| Organic Recycling Systems Private Limited (fully paid-up at Rs.10 each)     | 1,13,503                           | 100.00%      |
| Organic Recycling Systems Private Limited (partly paid-up at Rs.5 each)     | 85,000                             | 100.00%      |
| Sarang Bhand (Organic Recycling System Private Limited is beneficial owner) | 1                                  | 0.00%        |

#### *Optionally Convertible Preference Shares*

| Particulars                               | Number of Shares<br>March 31, 2023 | % of holding |
|---|------------------------------------|--------------|
| Organic Recycling Systems Private Limited | 22,379                             | 100.00%      |



### 3. Meerut Bio-energy Systems Private Limited

#### *Nature of Business:*

The company was incorporated as the SPV to engage in the construction, development and maintenance of Municipal Solid Waste to Energy project at Meerut.

#### *Capital Structure:*

| Share capital   | Number of Shares<br>March 31, 2023 | Amount as on March<br>31,2023 |
|---|------------------------------------|-------------------------------|
| <b>Authorized capital</b>                                       |                                    |                               |
| Equity shares of INR 10 each (Previous year : INR 10 each)      | 10,000                             | 1,00,000                      |
| <b>Total</b>  | <b>10,000</b>                      | <b>1,00,000</b>               |
| <b>Issued, subscribed and fully paid up share capital</b>       |                                    |                               |
| Equity shares of INR10 each (Previous year : INR 10 each)       | 10,000                             | 1,00,000                      |
| <b>Total issued, subscribed and fully paid-up share capital</b> | <b>10,000</b>                      | <b>1,00,000</b>               |

#### *Shareholding of the Issuer Company in the Subsidiary :*

#### *Equity Shares :*

| Particulars   | Number of Shares<br>March 31, 2023 | % of holding |
|---|------------------------------------|--------------|
| Organic Recycling Systems Private Limited                                   | 9,999                              | 100.00%      |
| Sarang Bhand (Organic Recycling System Private Limited is beneficial owner) | 1                                  | 0.00%        |

### 4. Pune Urban Recyclers Private Limited

#### *Nature of Business:*

The subsidiary was incorporated as the SPV to engage in the Construction, Development and Maintenance of Municipal Solid Waste-to-Energy project at Pune.

#### *Capital Structure:*

| Share capital   | Number of Shares<br>March 31, 2023 | Amount as on March31,<br>2023 |
|---|------------------------------------|-------------------------------|
| <b>Authorized capital</b>                                       |                                    |                               |
| Equity shares of INR 10 each (Previous year : INR 10 each)      | 10,000                             | 1,00,000                      |
| <b>Total</b>  | <b>10,000</b>                      | <b>1,00,000</b>               |
| <b>Issued, subscribed and fully paid up share capital</b>       |                                    |                               |
| Equity shares of INR10 each (Previous year : INR 10 each)       | 10,000                             | 1,00,000                      |
| <b>Total issued, subscribed and fully paid-up share capital</b> | <b>10,000</b>                      | <b>1,00,000</b>               |





### **Shareholding of the Issuer Company in the Subsidiary :**

#### **Equity Shares :**

| <b>Particulars</b>  | <b>Number of Shares<br/>March 31, 2023</b> | <b>% of holding</b> |
|---|--|---------------------|
| Organic Recycling Systems Private Limited                                   | 9,999                                      | 100.00%             |
| Sarang Bhand (Organic Recycling System Private Limited is beneficial owner) | 1  | 0.00%               |

### **Accumulated profits or losses**

As of the date of this Draft Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company.

### **OTHER DECLARATIONS AND DISCLOSURES**

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

### **FUND RAISING THROUGH EQUITY OR DEBT**

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled *Capital Structure* beginning on page no. 47 of this Draft Prospectus.

### **REVALUATION OF ASSETS**

Our Company has not re-valued its assets since its incorporation.

### **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as stated in this Draft Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

### **INJUNCTIONS OR RESTRAINING ORDERS**

Our Company is not operating under any injunction or restraining order.

### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

There have been instances in the past of defaults in complying with the terms and conditions of our Company's term loans and other credit facilities, which are currently outstanding with respect to delayed interest payments. Further, none of our outstanding loans have been converted into Equity Shares or have been rescheduled. Please refer to the chapter titled *Risk Factors* beginning on page no. 17 of this Draft Prospectus



## **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

In our contracts entered into with the municipal authorities, these municipal authorities are typically required to acquire, lease or secure rights over tracts of land and lease / transfer it to us to enable us to construct a processing facility on such land, free of encroachments and encumbrance. Further, these municipal authorities are also required to obtain environment clearances, permits and approvals in relation to the contract.

The failure of these municipal authorities to acquire the relevant land free of encumbrances or environmental clearances, permits or approval, in a timely manner has in the past led to time overrun and cost overrun. For instance, on account of the foregoing, our project at Solapur and Bangalore were delayed. Please refer to the chapter titled *Risk Factors* beginning on page no. 17 of this Draft Prospectus

## **SHAREHOLDERS' AGREEMENT**

There are subsisting Redeemable Preference Shareholders' agreements dated September 16, 2013 and March 16, 2016 between Class-1 Redeemable Preference Shareholders and Class-2 Redeemable Preference Shareholders, collectively called ("RPS Holders") and the Company as on the date of this Draft Prospectus. RPS Holders hold 1,57,632 0% Non-Cumulative Redeemable Preference Shares ("NCRPS") as on the date of this Draft Prospectus. As per the latest addendum dated October 1, 2022, the NCRPS are redeemable on any date on or before March 31, 2027. Therefore, 1,57,632 0% NCRPS of the existing RPS Holders becomes due for redemption, in full or in part on any date on or before but not later than 31st March, 2027 ("Last Redemption Date"), at the sole option of the RPS Holders. In case the RPS Holders decide to exercise the redemption option either in full or in part on any day before the Last Redemption Date, they will exercise the redemption option with a 3 months prior notice to the Company. Each of these shares shall be redeemed at a price calculated based on annual return of 18.00% p.a. from the date of issue till the date of redemption.

## **OTHER AGREEMENTS**

For details of the agreements in relation to the business and operations of our Company, see "*Our Business*" on page no. 86. Additionally, our Company has executed the following agreements:

## **STRATEGIC PARTNERS**

Our Company does not have any strategic partner(s) as on the date of this Draft Prospectus.

## **FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, our Company does not have any financial partners.

## **ACQUISITION OF BUSINESS / UNDERTAKINGS**

There is no Merger, Amalgamation, Acquisition of Business or Undertaking etc. with respect to our Company and we have not acquired a material business undertaking in last 10 years preceding the date of this Draft Prospectus.

## **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

Except as disclosed below, there has been no divestment by the Company of any business or undertaking in the last 10 years preceding the date of this Draft Prospectus.

The Company had during the year 2018, hived off its business undertaking based on DRYCO-AD technology to its Promoter Group Company named Yasasu EMS Private Limited (currently named as Blue Planet Yasasu Solutions Private Limited). The Business undertaking comprised of *processing and disposal of municipal solid waste (MSW) including household waste, kitchen waste and other solid waste forming a part of MSW through containerized waste management solutions using DRYCO-AD technology including sale, lease, construction, operation and maintenance activities relating to such solutions*; and the company received an amount of Rs. 5,11,31,729 as consideration for the business undertaking. The DRYCO-AD technology belonged to the promoter group which was transferred by the promoter group to Yasasu EMS Private Limited and no consideration in this regard accrued to the company. We have a non-compete agreement for this which is valid for a *period of 5 years*.



## **NUMBER OF SHAREHOLDERS OF OUR COMPANY**

Our Company has 48 (Forty – Eight) Equity Shareholders, 1 (one) Non-Cumulative Redeemable Preference Class 1 Shareholders and 7 (Seven) Non-Cumulative Redeemable Preference Class 2 Shareholders as on date of this Draft Prospectus.

For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled *Capital Structure* beginning on page no. 47 of this Draft Prospectus.

## **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled '*Financial Statements*' beginning on page no. 142 of this Draft Prospectus.

## **COLLABORATION AGREEMENT**

As on the date of this Draft Prospectus our Company is not party to any collaboration agreement.



## OUR MANAGEMENT

In terms of our Articles of Association, unless otherwise determined by general meeting, our Company is required to have at least three and not more than fifteen Directors. Our Company currently has five Directors, comprising, two Executive Directors, and three Non-Executive Directors, of which two are Independent Directors and one Woman Director. The following table sets forth details regarding the Board as on the date of this Draft Prospectus:

| Name, Address, Designation, Occupation, Nationality, Tenure, Date of birth and DIN  | Age | Directorships in other companies   |
|---|-----|--|
| <p><b>Mr. Sarang Bhand</b></p> <p><i>Address:</i> 2401, 24<sup>th</sup> Floor, Kshitij, Palm Beach Road, Sector 19, Sanpada, Navi Mumbai – 400705.</p> <p><i>Designation:</i> Managing Director</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years ending on September 30 ,2027. Liable to retire by rotation.</p> <p><i>DIN:</i> 01633419</p> <p><i>Date of Birth:</i> August 26, 1982</p>                          | 40  | <p><u>Indian Companies</u></p> <ol style="list-style-type: none"> <li>1. Organic Waste (India) Private Limited</li> <li>2. Solapur Bioenergy Systems Private Limited</li> <li>3. Pune Urban Recyclers Private Limited</li> <li>4. Meerut Bio-energy Systems Private Limited</li> </ol> <p><u>Foreign Companies</u> Nil</p>   |
| <p><b>Mr.Yashas Bhand</b></p> <p><i>Address:</i> 2401, 24<sup>th</sup> Floor, Kshitij, Palm Beach Road, Sector 19, Sanpada, Navi Mumbai – 400705.</p> <p><i>Designation:</i> Chief Executive Officer, Whole time Director</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years ending on September 30, 2027. Liable to retire by rotation.</p> <p><i>DIN:</i> 07118419</p> <p><i>Date of Birth:</i> March 19, 1990</p> | 33  | <p><u>Indian Companies</u></p> <ol style="list-style-type: none"> <li>1. Solapur Bioenergy Systems Private Limited</li> <li>2. Five Elements Environment Ventures Private Limited</li> <li>3. Five Elements Research Foundation</li> <li>4. Organic Waste (India) Private Limited</li> </ol> <p><u>Foreign Companies</u> Nil</p>   |
| <p><b>Mr. Amit Karia</b></p> <p><i>Address:</i> 202, Padmalaya Apartment, Pandit Colony, Nashik-422002.</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Insolvency Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of three years ending on October 3,2025.</p> <p><i>DIN:</i> 6846654</p> <p><i>Date of Birth:</i> November 25, 1985</p>   | 37  | <p><u>Indian Companies</u></p> <ol style="list-style-type: none"> <li>1. Algoquest Techno Solutions Private Limited</li> <li>2. Software Development And Exports (India) Private Limited.</li> <li>3. Mansukh Institute of Finance &amp; Management Private Limited</li> <li>4. Organic Waste (India) Private Limited</li> <li>5. Solapur Bioenergy Systems Private Limited</li> </ol> <p><u>Foreign Companies</u> Nil</p> |



| Name, Address, Designation, Occupation, Nationality, Tenure, Date of birth and DIN   | Age | Directorships in other companies   |
|--|-----|--|
| <p><b>Mr. Rakesh Mehra</b></p> <p><i>Address:</i> E-7/720 Arera Colony, Bhopal, Madhya Pradesh 462016.</p> <p><i>Designation:</i> Chairman &amp; Independent Director</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of three years ending on October 3,2025.</p> <p><i>DIN:</i> 00035812</p> <p><i>Date of Birth:</i> March 3, 1952</p>                              | 71  | <p><u>Indian Companies</u></p> <ol style="list-style-type: none"> <li>1. Econotech Services Private Limited</li> <li>2. Sarda Energy &amp; Minerals Limited</li> </ol> <p><u>Foreign Companies</u> Nil</p>                   |
| <p><b>Mrs. Janaki Bhand</b></p> <p><i>Address:</i> 2401, 24<sup>th</sup> Floor, Kshitij, Palm Beach Road, Sector 19, Sanpada, Navi Mumbai – 400705.</p> <p><i>Designation:</i> Non- Executive Woman Director</p> <p><i>Occupation:</i> Consulting Psychologist</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 07118415</p> <p><i>Date of Birth:</i> June 12, 1985</p> | 38  | <p><u>Indian Companies</u></p> <ol style="list-style-type: none"> <li>1. Five Elements Environment Ventures Private Limited</li> <li>2. Five Elements Research Foundation</li> </ol> <p><u>Foreign Companies</u><br/>Nil</p> |

Except for Mr. Sarang Bhand and Mr. Yashas Bhand, who are siblings and Mr. Sarang Bhand and Mrs. Janaki Bhand, who are husband and wife, none of our Directors are related to each other or to any of the KMPs as per the definition of “relative” provided under the Companies Act, 2013

### Brief profiles of our Directors

**Mr. Sarang Bhand** is the Promoter and Managing Director of Organic Recycling Systems Pvt. Ltd. with experience of 17 years. He brings on board his unique vision, management practices and global approach to the function, expansion, diversification and management of the organization with a Bachelor's degree in Marketing from Symbiosis University, Graduate Certificate of Management from Chifley Business School, SCPM - Stanford Certified Project Manager from Stanford Center for Professional Development. He has played vital role in securing technological collaborations, contracts/projects for the company. He has also been involved in project implementation, project planning, securing funding, stakeholder management, monitoring projects & securing compliances for ongoing projects.

**Mr. Yashas Bhand** is the Chief Executive Officer and Whole-time director of our Company. He is a M.Tech in (Biotechnology) with Post graduate diploma in Business law and entrepreneurship from The West Bengal National University of Juridical Sciences, Kolkata. He has completed Solid Waste Management Planning Certification from UNESCOs- IHE, Delft, Netherlands. As a seasoned professional he has been instrumental in carrying various in-house R&D activities. He drives a team for developing training modules, and implementing workshops for officials, consultants and other stakeholders in the waste management sector Since 2016, he has been also heading new Technology development team and Operation department of the Company. He played a key role in the development of the decentralization of the bio-gas technology.



**Mr. Amit Karia** is an Independent Director of our Company. He is a member of the Institute of Company Secretaries of India (ICSI), New Delhi. He is a member of the Institute of Cost and Management Accountants of India (ICAI – Cost), Kolkatta, Qualified Masters in Laws (LLM), a merit holder and university topper for two out of three years in LLB examination. Author of several books on law with the first book being published by Bharat Law House, New Delhi. Has done researches in areas like human trafficking, labour laws, etc. Registered Insolvency Professional (IP) enrolled with the Indian Institute of Insolvency Professionals of ICAI (IIIPICAI). Enrolled in the independent directors databank regulated by Indian Institute of Corporate Affairs (IICA). Overall experience in legal and compliance areas of more than 11 years. Served as an executive director on the board of directors of an Indian company for more than 6 years. Currently serving as non-executive director of three Indian companies. Has also been an education mentor for professional courses like CA (Final).

**Mr. Rakesh Mehra** is the Chairman and Independent Director of our Company. He is a Graduate in Science and Associate Member of the Indian Institute of Bankers and Fellow Member of Institute of Cost and Management Accountants of India. He has been associated with Madhya Pradesh State Industrial Development Corporation Ltd. (MPSIDC) in various senior positions and was head of the “Project Finance Division” and financial resource planning. During his tenure with MPSIDC, he has handled Project Feasibility/Project Finance of various Industrial Projects coming up in Madhya Pradesh. He was in key managerial position in MPSIDC from 1977 to 1986. Subsequently, he started his own Project Management and Technical Services company viz. Econotech Services Pvt. Limited conducting various categories of project feasibility, industrial feasibility, Corporate Advisory Services, Investment Banking Services, Resources Planning etc. in India and Abroad. Econotech is also registered with Reserve Bank of India as a Non Banking Finance Company (NBFC) since 2003 in the category of investment and loan and non public deposit. He is a whole time director in Econotech from 1986 till date. He is also in the Board of Sarda Energy & Minerals Limited since 1987 and a member of the Audit committee and CSR committee. He has vast experience in Finance and Investment activities including takeover, merger, investment planning etc. He is a Member of Bhopal Management Association and has also been awarded “President’s Award” in Scouting in his school days.

**Mrs. Janaki Bhand** is the Woman Director of our Company. She is a practicing psychologist for more than 10 years. She is a Gold medalist in BA Psychology from IEHE, Bhopal. She has done her MA in Clinical Psychology from MSU Baroda and PG Diploma in Guidance and Counseling from Fergusson Collage, Pune. She is also a REBT practitioner and has earned her Certificate from Albert Ellis Institute, India. She has previously been associated with the Inclusive Education Cell at the Podar Education Network as a Counselor and with eClerx India as consultant corporate Psychologist. She is also on the panel of online Counselors with Don Bosco’s Prafulta (Andheri), and a guest Faculty at the National Institute of Fashion Technology, Kharghar.

Mrs. Bhand has her own counseling & training venture under the brand name “Soch”. Soch is engaged in imparting soft skills training, educational guidance, counseling and consultation services with a mission to promote holistic development of individuals.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

There are no arrangements or undertaking with major shareholders, customers, suppliers, or others, pursuant to which any Directors were selected as a Director

#### **Terms and conditions of employment of our Managing Directors**

##### **A. Mr. Sarang Bhand**

Our Managing Director was appointed pursuant to a Board Resolution dated October 1, 2022 and Member Resolution dated 18<sup>th</sup> October, 2022 for a term of 5 years and subsequently, an agreement dated October 1, 2022 has been entered into between our Company and our Managing Director. The details of his remuneration are as set out below:

| <b>Sr. No.</b> | <b>Remuneration</b> | <b>Details</b>   |
|----------------|---------------------|--|
| (i)            | Basic Salary        | ₹ 42,00,000 per annum.   |
| (ii)           | Car                 | Commute for both official and personal use. The vehicle running expenses like insurance, fuel, maintenance, driver’s salary would be borne/reimbursed by our Company on submission of bills. |

For Fiscal 2022-2023, Mr. Sarang Bhand was paid an aggregate compensation of ₹ 42,87,060. With respect to Managing Director, Mr. Sarang Bhand, there is no contingent or deferred payment accrued for Fiscal 2022-23.



## B. Mr. Yashas Bhand

Our Chief Executive Officer and Whole-time Director was appointed pursuant to a resolution dated October 1, 2022 with our Company. The details of his remuneration are as set out below:

| Sr. No. | Remuneration | Details  |
|---------|--------------|--|
| (i)     | Basic Salary | ₹ 24,00,000 per annum  |
| (ii)    | Car          | Commute for both official and personal use. The vehicle running expenses like insurance, fuel, maintenance, driver's salary would be borne/reimbursed by our Company on submission of bills. |

For Fiscal 2022-23, Mr. Yashas Bhand was paid an aggregate compensation of ₹ 18,00,000. With respect to our Chief Executive Officer and Whole time Director, Mr. Yashas Bhand, there is no contingent or deferred payment accrued for Fiscal 2022-23.

### Terms of appointment of our Non-Executive Directors and Independent Directors

Our Non-Executive Directors and Independent Directors are eligible to receive sitting fees for attending each meeting of the Board or committees thereof. However, no sitting fees were paid for the Fiscal 2021-22.

### Changes in the Board of Directors in the last three years preceding the date of this Draft Prospectus

| Name of the Director | Date of change      | Reasons for change                               |
|----------------------|---------------------|--|
| Mr. Ashok Kapoor     | February 28, 2019.  | Cessation to be a Director                       |
| Mr. Yashas Bhand     | October 10, 2020.   | Appointment as an Executive Director             |
| Mrs. Janaki Bhand    | September 01, 2022. | Appointment as a Non-Executive Woman Director    |
| Mr Rakesh Mehra      | October 4, 2022     | Appointment as Independent Director and Chairman |
| Mr Amit Karia        | October 4, 2022     | Appointment as Independent Director              |

*\*The aforementioned changes to our Board in the past 3 years do not include regularization of Directors.*

### Service contracts

No officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### Bonus or profit-sharing plan of our Directors

As on the date of this Draft Prospectus, our Company does not have a bonus or profit-sharing plan for our Directors other than as per their terms of appointment.

### Shareholding of our Directors in our Company

The Articles of Association do not require the Directors to hold any qualification shares.

The shareholding of our Directors in our Company, as on the date of this Draft Prospectus is set forth below:

| Sr. No | Name of Director | Number of Equity Shares held |
|--------|------------------|------------------------------|
| 1.     | Sarang Bhand     | 15,67,006                    |
|        | <b>Total</b>     | <b>15,67,006</b>             |

### Shareholding of our Directors in our Subsidiaries and associate companies

None of our Directors have any shareholding in any of our Subsidiaries and Associate Companies except as a nominee shareholder on behalf of ORSL.



## Confirmations

None of our Directors have been identified as a willful defaulter (as defined in the SEBI ICDR Regulations).

None of our Directors is or was a director on the board of listed companies that have been / were delisted from any stock exchanges in India.

None of our Directors have been or are a director on the board of any listed company whose shares are / were suspended from trading on any of the stock exchanges, during his/her tenure for a period of five years prior to the date of filing of the Draft Prospectus.

None of our Directors have been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

## Borrowing Powers of our Board

Pursuant to our Articles and subject to applicable laws, our Board has been authorized to borrow sums of money with or without security, which together with the monies borrowed by our Company (apart from the temporary loans obtained, or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) and securities premium.

## Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, specifically the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, to the extent applicable as on the date of this Draft Prospectus, in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board. The corporate governance framework is based on an effective Independent Board, separation of the Board's supervisory role from the Executive management team and constitution of the Board committees, each as required under law.

Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's Executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has five Directors, headed by our Chairman who is an Non-Executive, Independent Director. In compliance with the requirements of the Companies Act and the SEBI Listing Regulations, we have five Directors, comprising, two Executive Directors, and three Non-Executive Directors, of which two are Independent Directors and one is a Woman Director. In compliance with the provisions of the Companies Act, 2013 at least two-third of our Directors, other than our Non-Executive Directors, are liable to retire by rotation.

### I. Committees of the Board in accordance with the SEBI Listing Regulations

#### A. Audit Committee

| Sr. No | Name of the Director | Designation                       | Position in the Committee |
|--------|----------------------|-----------------------------------|---------------------------|
| 1.     | Rakesh Mehra         | Chairman and Independent Director | Chairman                  |
| 2.     | Amit Karia           | Independent Director              | Member                    |
| 3.     | Sarang Bhand         | Managing Director                 | Member                    |

The Audit Committee was constituted by a resolution of our Board dated October 4, 2022

The terms of reference of the Audit Committee are in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.





## POWERS OF AUDIT COMMITTEE

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

## FUNCTIONS OF AUDIT COMMITTEE

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing, the financial statements with respect to its unlisted Subsidiaries, in particular investments made by such Subsidiaries;
- f) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications and modified opinions in the draft audit report.
- g) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- h) Scrutiny of inter-corporate loans and investments;
- i) Review of utilization of loans availed or investments by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Approval or any subsequent modification of transactions of the Company with related parties;
- m) 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;
- n) Approving or subsequently modifying transactions of the Company with related parties;
- o) Evaluating undertakings or assets of the Company, wherever necessary;
- p) Establishing and overseeing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- q) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- r) 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;
- s) Discussion with internal auditors on any significant findings and follow up thereon;



- t) 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;
- u) 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;
- v) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- w) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- x) Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- y) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- z) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and
- aa) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

Besides the above, the role of the Audit Committee includes mandatory review of the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviations:

1. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

bb) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

## **B. Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee are:

| <b>Sr. No</b> | <b>Name of the Director</b> | <b>Designation</b>                | <b>Position in the Committee</b> |
|---------------|-----------------------------|-----------------------------------|----------------------------------|
| 1             | Amit Karia                  | Independent Director              | Chairman                         |
| 2             | Rakesh Mehra                | Chairman and Independent Director | Member                           |
| 3             | Janaki Bhand                | Non-Executive Director            | Member                           |

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated October 4, 2022. The scope and functions of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI Listing Regulations.

### **Terms of reference**

The Nomination and Remuneration Committee be and hereby entrusted with the following powers:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of independent directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;



- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors; Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and recommend the remuneration payable to the senior management personnel;
- g) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- h) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- i) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- j) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- k) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

### C. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

| Sr. No | Name of the Director | Designation                 | Position in the Committee |
|--------|----------------------|-----------------------------|---------------------------|
| 1      | Amit Karia           | Independent Director        | Chairman                  |
| 2      | Sarang Bhand         | Managing Director           | Member                    |
| 3      | Yashas Bhand         | Whole time Director and CEO | Member                    |

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated October 4, 2022. The scope and functions of the Stakeholders' Relationship Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations.

### Terms of Reference

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer/transmission of shares;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual report/statutory notices by the shareholders of the Company;
- e) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- f) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- g) Non-receipt of declared dividends, balance sheets of the Company, annual report or any other documents or information to be sent by the Company to its shareholders; and
- h) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.



## Other Committees on the Board

In addition to committees of the Board in accordance with the SEBI Listing Regulations mentioned above, the following committees have been constituted by our Board:

### A. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

| Sr. No | Name of the Director | Designation                       | Position in the Committee |
|--------|----------------------|-----------------------------------|---------------------------|
| 1      | Rakesh Mehra         | Chairman and Independent Director | Chairman                  |
| 2      | Janaki Bhand         | Non-Executive Director            | Member                    |
| 3      | Yashas Bhand         | Whole time Director and CEO       | Member                    |

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated October 4, 2022 and was thereafter reconstituted in Board meeting dated December 19, 2018.

#### Terms of Reference:

The corporate social responsibility committee be and hereby entrusted with the following responsibilities:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013, as amended from time to time;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above, subject to the limits provided under section 135 of the Companies Act;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time and
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Further, we have also constituted an IPO Committee for the purposes of the Issue.

#### Interests of Directors

All Directors may be deemed to be interested to the extent of reimbursement of expenses payable to them, if any and the remuneration payable to such Directors as decided by the Board from time to time. Our Executive Directors are interested to the extent of remuneration, payable to them for services rendered as an officer or employee of our Company or our Subsidiaries.

The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/ or any Equity Shares that may be held by their relatives or companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For further details, please see “*Capital Structure – Notes to Capital Structure – Shareholding of our Directors and/or Key Management Personnel*” beginning on page no. 47.

The Directors have no interest in any property acquired by our Company or proposed to be acquired by our Company as of the date of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except for Sarang Bhand who is the Promoter and Director of our Company, none of our Directors or Group Companies have any interest in the promotion of our Company or any other interest in our business.

Except as stated in “*Financial Statements*” on page no. 142 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

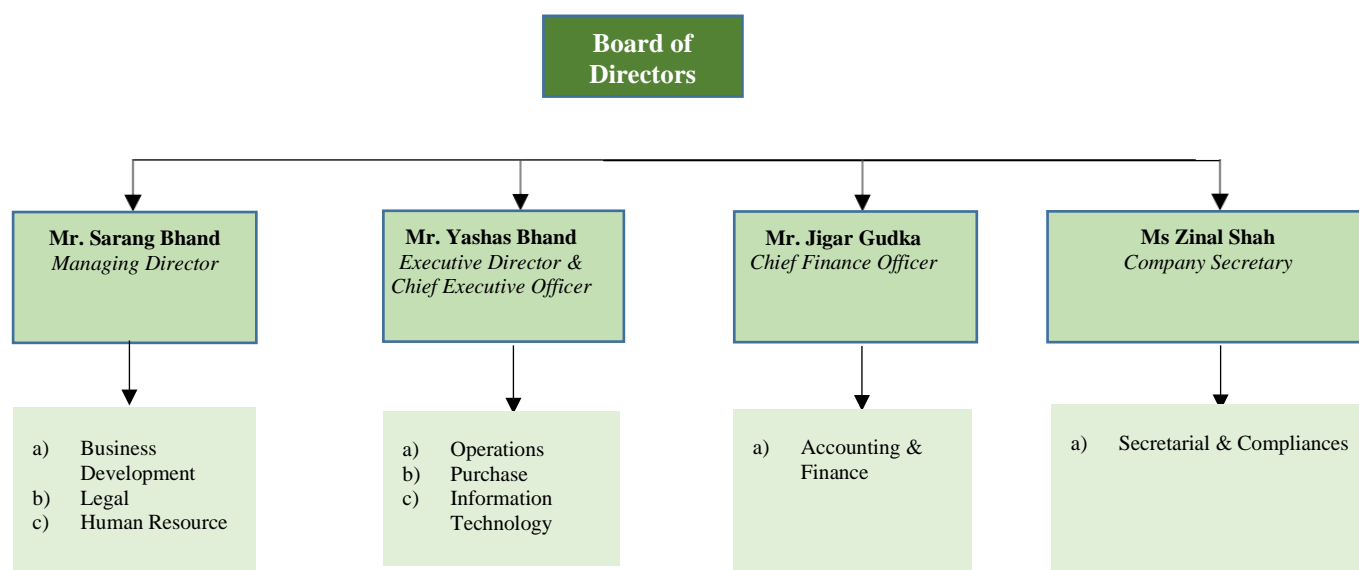


Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors either to induce them to become or to qualify them as Directors except the normal remuneration for services rendered by them as Directors. Except as disclosed in this Draft Prospectus and to the extent of any trade receivables from our Subsidiaries in the ordinary course of our business, none of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

### Appointment of any relatives of our Directors to an office or place of profit

Mr Suhas Bhand, who is the father of our Promoter and Director, Mr Sarang Bhand provides his services in the capacity of an advisor to our company for a monthly remuneration. For further details, please see “*Related Party Transactions*” on page no. 195

### Management Organisation Structure



### Key Managerial Personnel

**Mr. Sarang Bhand** is the Promoter and Managing Director of Organic Recycling Systems Pvt. Ltd. with experience of 17 years. He brings on board his unique vision, management practices and global approach to the function, expansion, diversification and management of the organization with a Bachelor's degree in Marketing from Symbiosis University, Graduate Certificate of Management from Chifley Business School, SCPM - Stanford Certified Project Manager from Stanford Center for Professional Development. He has played vital role in securing technological collaborations, contracts/projects for the company. He has also been involved in project implementation, project planning, securing funding, stakeholder management, monitoring projects & securing compliances for ongoing projects.

**Mr. Yashas Bhand** is the Chief Executive Officer and Whole-time director of our Company. He is a M.Tech in (Biotechnology) with Post graduate diploma in Business law and entrepreneurship from The West Bengal National University of Juridical Sciences, Kolkata. He has completed Solid Waste Management Planning Certification from UNESCOs- IHE, Delft, Netherlands. As a seasoned professional he has been instrumental in carrying various in-house R&D activities. He drives a team for developing training modules, and implementing workshops for officials, consultants and other stakeholders in the waste management sector Since 2016, he has been also heading new Technology development team and Operation department of the Company. He played a key role in the development of the decentralization of the bio-gas technology.

Mr Jigar Gudka and Ms Zinal Shah have been designated as Key Management Personnel of our Company. All of our Key Management Personnel are permanent employees of our Company. The brief profiles of our Key Management Personnel are as set out below:



**Jigar Gudka** is a Chartered Accountant with 15+ years of post-qualification experience in the field of tax and compliances, tax litigation, accounting & reporting, structuring, advisory, due diligence, regulatory compliance and other related matters. He has advised clients in a variety of sectors including media, insurance, and other emerging sectors in the economy. He has worked with global consulting firms KPMG & Grant Thornton. For the Fiscal 2023, he was paid a compensation of Rs 24.53 lakhs.

**Ms Zinal Shah**, an Associate Company Secretary of the Institute of Company Secretaries of India, has joined the Organization as a Company Secretary with effect from 01st February, 2022. She had previously worked as Company Secretary and Compliance Officer of Kachchh Minerals Limited. She is an important managerial and administrative part of the Company. She manages various regulatory functions and guides the company in corporate laws; corporate governance; strategic management & securities laws. For the fiscal 2023, she was paid a compensation of Rs 2.13 lakhs

None of our Key Management Personnel are related to each other or to the Directors of our Company.

### **Other Key Operating Personnel**

**Mr. Bhagwan Karande** is the General Manager at Solapur Plant. He is M. Tech from Shivaji University - Kolhapur & B. E. (Mechanical) from Amravati University - Amravati, Pursued Sugar Engineering – SED (AVSI) from Vasant Dada Sugar Institute - Manjari Pune, Qualified Boiler Proficiency exam. He carries more than 23 years of rich experience in the field of erecting and commissioning of sugar plant, plant operation and management, installation, commissioning and maintenance of sugar processing and power plant, environment, health and safety compliance, dealing with local government bodies.

### **Shareholding of Key Management Personnel**

For details of shareholding of our Key Management Personnel in our Company, please see “*Capital Structure - Shareholding of our Directors and/or Key Management Personnel*” beginning on page 47 and “*Our Management– Shareholding of our Directors in our Company*” beginning on page no. 120

### **Bonus or Profit-Sharing Plan of the Key Management Personnel**

None of our Key Management Personnel are a party to any bonus or profit-sharing plan.

### **Interests of Key Management Personnel**

Except as disclosed above in relation to our Directors under “*Our Management– Interests of Directors*” beginning on page 120, the Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration, allowances perquisites or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business. Additionally, all directors may be deemed to be interested to the extent of their shareholding, sitting fee, remuneration, and commission payable to them or their relatives by our Subsidiaries.

### **Changes in the Key Management Personnel**

Except for the changes to our Board of Directors, as set forth under “*Our Management - Changes in the Board of Directors in the last three years*” herein above, the changes in the Key Management Personnel in the last three years prior to the date of filing of this Draft Prospectus are as follows:

| <b>Sr. No</b> | <b>Name</b> | <b>Date of change</b>         | <b>Reason of Change</b>               |
|---------------|-------------|-------------------------------|---------------------------------------|
| 1.            | Jigar Gudka | 1 <sup>st</sup> October 2022  | Designated as Chief Financial Officer |
| 2.            | Zinal Shah  | 1 <sup>st</sup> February 2022 | Appointment as Company Secretary      |



### **Employees Stock Option Plans**

The Company has no Employee Stock Option Plan.

### **Payment or Benefit to Officers of our Company**

Except as disclosed above, no non-salary related amount or benefit has been paid or given within two years from the date of this Draft Prospectus, or is intended to be paid or given, to any of our Company's officers, including the Directors and Key Management Personnel.



## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

The Promoter of our Company is Mr. Sarang Bhand.

As on the date of this Draft Prospectus, our Promoter holds an aggregate of 15,67,006 Equity Shares, representing 30.14% of the Pre-Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company.

For details of the build-up of our promoter's shareholding in our Company, see section titled "Capital Structure" beginning on page no. 47 of this Draft Prospectus.

Brief profile of our Promoter is as under:

|   |   |
|---|---|
|  | <p><b><i>Sector experience of over 15 years in the field of waste management &amp; environment engineering projects.</i></b></p> <p>Sarang Bhand, aged 40 is a 2nd generation entrepreneur and promoter of ORSL &amp; group companies. He is a graduate in commerce from Symbiosis College of Arts &amp; Commerce, Pune University with specialisation in Marketing and has earned Post Graduate Certificate in Management from Chifley Business School, Australia. Besides this he has professional certification for Advanced Project Management from Stanford Centre for Professional Development, Stanford University.</p> <p>He is involved in ORS since its inception and was instrumental in incorporating ORS, to promote MSW to Energy projects in India. He is responsible for developing strategies for acquiring &amp; developing new projects for ORS. He has steered the project development stage for Solapur Project has successfully managed to secure various other projects for the company. He has been involved in steering the overall strategy of the company to expand its footprints across the bio-economy spectrum.</p> <p>As a part of Management, he is responsible for overall Strategy, Business Development &amp; Project Management activities. He is responsible for identifying new business proposals enabling value creation for stakeholders and developing alliances with technology providers &amp; strategic project partners. He is responsible for monitoring project execution &amp; monitoring project compliance requirements. He is an ardent supporter of effective project management practice in business and believes in continuous improvements in business processes for strategic leverages.</p> <p><b>Certifications:</b></p> <ul style="list-style-type: none"> <li>• Organisation Transformation Certification, PMI</li> <li>• Business Model Innovation, DelftX</li> <li>• Financial Acumen - Corporate Finance, (Columbia Business School / Emeritus)</li> </ul> |
| Name  | Sarang Bhand  |
| Age   | 40 Years  |
| PAN   | AJPPB1677G  |
| Qualification   | Postgraduate  |
| Residential Address   | 2401 Kshitij CHS, 24th floor, Plot No.3, Sector – 19, Palm beach Road, Sanpada, Navi Mumbai – 400705.   |





|                                     |   |
|-------------------------------------|---|
| Directorship &<br>Other<br>Ventures | <ol style="list-style-type: none"> <li>1) Solapur Bioenergy Systems Private Limited</li> <li>2) Organic Waste (India) Private Limited</li> <li>3) Pune Urban Recyclers Private Limited</li> <li>4) Meerut Bio-Energy Systems Private Limited</li> <li>5) Organic Recycling Systems Limited</li> </ol> |
|-------------------------------------|---|

For details pertaining to other ventures of Our Promoter, refer chapter titled “Our Group Entities” beginning on page no. 136 of this Draft Prospectus.

### Relationship of Promoter with Our Directors

Our Promoter is the part of our Board of Directors as Director. Except as disclosed herein, none of our Promoter is related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

| Promoter     | Director     | Relationship |
|--------------|--------------|--------------|
| Sarang Bhand | Yashas Bhand | Brother      |
| Sarang Bhand | Janaki Bhand | Spouse       |

### OTHER UNDERTAKINGS AND CONFIRMATIONS

- Our Company confirms that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoter have been submitted to BSE Limited at the time of filing of Draft Prospectus.
- Our Promoter has confirmed that he has not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoter in the past or are currently pending against them. None of our Promoter 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 PROMOTER

#### Interest in promotion of Our Company:

Our Promoter is 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

Our Promoter does not have any interest in any property acquired by our Company three years prior to filing of this Draft Prospectus or proposed to be acquired by our Company

#### Interest as member of Our Company

Our Promoter holds 15,67,006 Equity Shares aggregating to 30.14% of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of its shareholding and the dividend declared, if any, by our Company. Except to the extent of its shareholding in our Company and benefits provided given in the chapter titled —Our Management beginning on page no. 120 of this Draft Prospectus, our Promoter hold no other interest in our Company.



### **Interest as Director of our Company**

Except as stated in the —Statement of Related Party Transactions beginning on page no. 195 of the Draft Prospectus, our Promoter / 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 terms of their appointment, the provisions of the Companies Act and in terms of our AOA.

### **Other Ventures of Our Promoter**

Save and except as disclosed in the chapters titled “Our Group Entities” beginning on page no. 136 of the Draft Prospectus, there are no other ventures of our Promoter in which they have business interests/other interests.

### **Change in the control of Our Company**

Our Promoter is the original promoter of our Company and there has been no change in the management or control of our Company.

### **Litigation involving Our Promoter**

For details of legal and regulatory proceedings involving our Promoter, please refer chapter titled —Outstanding Litigation and Material Developments beginning on page no. 216 of this Draft Prospectus.

### **Payment of benefits to our Promoter and Promoter Group during the last two years**

Save and except as disclosed under — Statement of Related Party Transactions”, as Restated appearing as Annexure XXXI on page no. 195 of the section titled — Financial Information beginning on page no. 142 of the Draft Prospectus, there has been no Payment or benefit to promoter, during the two years preceding the date of filing of this Draft Prospectus, nor is there any intention to pay or give any benefit to our Promoter as on the date of this Draft Prospectus, except as per the terms of the appointment.

### **Other Confirmations**

As on the date of this Draft Prospectus, our Promoter 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 Promoter were not and are not promoter 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 Promoter, except as disclosed under chapter titled —Outstanding Litigation and Material Developments beginning on page no 216 of this Draft Prospectus. Our Promoter and members of our Promoter Group have neither been declared as a willful defaulter nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against our Promoter.

### **Guarantees**

Except as stated in the section titled "Financial Statements" beginning on page no. 142 of this Draft Prospectus, there are no material guarantees given by the Promoter to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

### **Related Party Transactions**

For details of related party transactions entered by our Company, please refer to — Statement of Related Party Transactions”, as Restated appearing as Annexure XXXI on page no. 195 of the section titled “Financial Information beginning on page number 142 of the Draft Prospectus.

### **Information of Our group companies**

For details related to our group companies please refer — Our Group Entities on page no. 136 of this Draft Prospectus.



## OUR PROMOTER GROUP

In addition to our Promoter named above, the following individuals and entities form a part of the Promoters' Group:

1. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoter in terms of the SEBI(ICDR) Regulations 2018 form part of our Promoter Group:

| Promoter       | Sarang Bhand                |
|----------------|-----------------------------|
| Father         | Mr. Suhas Bhand             |
| Mother         | Mrs. Smita Bhand            |
| Spouse         | Mrs. Janaki Bhand           |
| Brother        | Mr. Yashas Bhand            |
| Sister         | -                           |
| Son            | Master. Neil Bhand          |
| Daughter       | Miss. Siya Bhand            |
| Spouse Father  | Late Mr. Upendra Kaveeshvar |
| Spouse Mother  | Mrs. Pratima Kaveeshvar     |
| Spouse Brother | Mr. Chinmay Kaveeshvar      |
| Spouse Sister  | -                           |

2. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

| Particulars   | Entity  |
|---|---|
| Any body corporate in which 20% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoters or any one or more of his immediate relative is a member. | Five Elements Environment Ventures Private Limited<br>Five Elements Research Foundation |
| Any company in which a company (mentioned above) holds 20% of the total holding   | Five Elements Research Foundation   |
| Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 20% of the total holding   | Not Applicable  |



## OUR GROUP ENTITIES

The details of Companies / Entities promoted by the Promoter of our Company are given hereunder.

### A. The Group Companies of our Company are as follows:

#### 1. Five Elements Environment Ventures Private Limited

##### Corporate Information

Five Elements Environment Ventures Private Limited was incorporated under the Companies Act, 1956 on June 19, 2008, as a private limited company, having CIN U74999MH2008PTC183678. The registered office of 1002, 10<sup>th</sup> Floor, The Affaires, Plot No 9, Sector 17, Sanpada, Navi Mumbai - 400705. Five Elements Environment Ventures Private Limited was incorporated to provide consultancy and technical knowhow in the field of environment, to carry on the business promotion, development, designing, installation, commissioning and running power plants based on conventional and non-conventional energy sources.

##### Board of Directors

The Directors of Five Elements Environment Ventures Private Limited as on the date of this Draft Prospectus are as follows:

| Name                | Designation |
|---------------------|-------------|
| Janaki Sarang Bhand | Director    |
| Yashas Suhas Bhand  | Director    |

##### Shareholding Pattern

The Shareholding Pattern of Five Elements Environment Ventures Private Limited as on the date of this Draft Prospectus is as follows:

| Shareholder's name                | No. of shares | % of total holding |
|-----------------------------------|---------------|--------------------|
| Sarang Bhand                      | 1,500         | 15.00%             |
| Vipul Modi                        | 750           | 7.50%              |
| Yashas Bhand                      | 3,000         | 30.00%             |
| Suhas Bhand                       | 3,000         | 30.00%             |
| Manish Modi                       | 750           | 7.50%              |
| Organic Recycling Systems Limited | 1,000         | 10.00%             |
| <b>Total</b>                      | <b>10,000</b> | <b>100.00%</b>     |

##### Financial Performance

Certain details of the audited financials of Five Elements Environment Ventures Private Limited are set forth below:

(in Rupees)

| Particulars  | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|--|-------------|-------------|-------------|
| Total Income                                       | -           | 242,392     | -           |
| Profit after Tax                                   | (3,92,701)  | (661,969)   | 214,533     |
| Equity Capital                                     | 100,000     | 100,000     | 100,000     |
| Reserves & Surplus (excluding revaluation reserve) | (85,09,613) | (81,16,912) | (74,54,943) |
| Net worth  | (84,09,613) | (80,16,912) | (73,54,943) |
| NAV per share                                      | (840.96)    | (801.69)    | (735.49)    |
| Earnings per share (EPS) (Basic & Diluted)         | (39.27)     | (66.20)     | 21.45       |
| No. of Equity Shares of Rs. 10/- each              | 10,000      | 10,000      | 10,000      |



## 2. Five Elements Research Foundation

### Corporate Information

Five Elements Research Foundation, being a nonprofit organization, within the meaning of Section 8 of the Companies Act, 2013 was incorporated in India on November 22, 2017, having CIN U74999MH2017NPL302072. The registered office is situated at Flat No-2401-02, A-Wing, Kshitij CHS, Plot no-03, Sector -19, Palm Beach Road, Sanpada, Thane – 400705. It is incorporated to undertake activities of promoting and carrying scientific and technical research & development activities in the field of environment, social health, sanitation, waste management and processing technologies of all kind and nature and to undertake all CSR activities related thereto and also to promote and create awareness about a clean environment, health and food habits.

### Board of Directors

The Directors of Five Elements Research Foundation as on the date of this Draft Prospectus are as follows:

| Name                | Designation |
|---------------------|-------------|
| Janaki Sarang Bhand | Director    |
| Yashas Suhas Bhand  | Director    |

### Shareholding Pattern

The Shareholding Pattern of Five Elements Environment Ventures Private Limited as on the date of this Draft Prospectus is as follows:

| Shareholder's name                                 | No. of shares | % of total holding |
|--|---------------|--------------------|
| Smita Bhand  | 5,000         | 50.00%             |
| Janaki Bhand                                       | 2,500         | 25.00%             |
| Five Elements Environment Ventures Private Limited | 2,500         | 25.00%             |
| <b>Total</b>                                       | <b>10,000</b> | <b>100.00%</b>     |

### Financial Performance

Certain details of the audited financials of Five Elements Research Foundation are set forth below:

(In Rupees)

| Particulars  | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|--|-------------|-------------|-------------|
| Total Income                                       | 2,46,892    | -           | -           |
| Profit after Tax                                   | 1,67,082    | (24,800)    | (44,425)    |
| Equity Capital                                     | 1,00,000    | 1,00,000    | 1,00,000    |
| Reserves & Surplus (excluding revaluation reserve) | (1,90,418)  | (3,57,500)  | (3,32,700)  |
| Net worth  | (90,418)    | (257,500)   | (232,700)   |
| NAV per share                                      | (9.04)      | (25.75)     | (23.27)     |
| No. of Equity Shares of Rs. 10/- each              | 10,000      | 10,000      | 10,000      |



## **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 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 no. 216 of the Draft Prospectus.

## **DEFUNCT GROUP COMPANIES**

There is no defunct Group Company of our Company as on the date of this Draft Prospectus.

## **UNDERTAKING / CONFIRMATIONS**

Our Promoters and Group Company 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.

## **DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoter has not disassociated themselves from any entities/firms during preceding three years.

## **OTHER DETAILS OF GROUP COMPANY/ENTITY:**

1. There have been instances of defaults in the past in meeting statutory dues but no defaults in any bank/institutional dues;
2. No proceedings have been initiated for economic offences against our Group Company/Entity.



## **NATURE AND EXTENT OF INTEREST OF GROUP COMPANY**

### **(a) In the promotion of our Company**

None of our Group Company has any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled – Financial Information Annexure XXXI - Related Party Transaction on page no. 195 of this Draft Prospectus.

### **(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft 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 Prospectus with Stock Exchange.

### **(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Company is interested in any transactions for the acquisition of land, construction of building or supply of machinery except an advance payment of Rs 43.50 lakhs towards acquisition of office premises by Five Element Environment Ventures Pvt Ltd in 2008 which ultimately did not materialize.

## **COMMON PURSUITS**

There are no common pursuits amongst our company or any of the promoter group companies.



## **RELATED PARTY TRANSACTIONS**

For details of related party transactions during the last three Fiscals, as per the requirements under Indian Accounting Standard 24 “*Related Party Disclosures*”, see “*Financial Statements*” beginning on page no. 142 of this Draft Prospectus.





## **DIVIDEND POLICY**

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does recently adopted a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

We have not declared dividend in any Financial Year.



## FINANCIAL INFORMATION

Report of auditors on the restated consolidated summary statements of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and Profit and Losses and Cash Flows for the year ended March 31, 2023, March 31, 2022 and March, 2021 of **Organic Recycling Systems Limited** (Collectively, the “Restated Consolidated Summary Statements”)

To,  
The Board of Directors,  
**Organic Recycling Systems Limited**  
1003, 10th Floor,  
The Affaires Plot No 9,  
Sector No 17, Sanpada,  
Navi Mumbai 400705

Dear Sirs,

1. We, Jayesh Sanghrajka & Co. LLP, Chartered Accountants, (“we” or “us” or “JSC”) have examined the Restated Consolidated Summary Statements of **Organic Recycling Systems Limited** (“Company”) and its subsidiaries consisting of Solapur Bioenergy Systems Private Limited (“SBSPL”), Organic Waste India Private Limited (“OWIPL”), Pune Urban Recyclers Private Limited (“PURPL”) and Meerut Bioenergy Systems Private Limited (“MBSPL”) (together “the subsidiaries”) and its associates - Blue Planet Kannur Waste Solution Private Limited (“BPKWSPL”) and Blue Planet Palakkad Waste Solution Private Limited (“BPPWSPL”) [together referred to as ‘the Group’], as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 annexed to this report and prepared by the company for the purpose of inclusion in Draft Prospectus/Prospectus (“Draft Prospectus/Prospectus”) in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of;
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019), as amended issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

### **Management’s responsibility for the Restated Consolidated Summary Statements**

2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Summary Statements for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Consolidated Summary Statements has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Consolidated Summary Statements. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.



### **Auditors' responsibilities**

3. We have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and holds the peer review certificate dated May 4, 2023 valid till May 31, 2026.
4. We have examined such Restated Consolidated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of the Company.
  - b. the Guidance Note on reports in Company Prospectuses (Revised 2019), as amended issued by the Institute of Chartered Accountant of India (the “ICAI”) (“the Guidance Note”).
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statements; 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.
5. The management has informed that the Company proposes to make an IPO, which comprises of fresh issue of equity shares having a face value of Rs.10 each, at such premium, arrived at a price (referred to as the ‘Offer’), as may be decided by the Board of Directors of the Company.
6. These Restated Consolidated Summary Statements have been compiled by the management from the Audited Financial Statements of the Company for the year ended March 31, 2023, March 31, 2022, and March, 2021 which has been approved by the Board of Directors. The financial statements of the Company for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 have been audited by us.

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### **Restated Consolidated Summary Statements as per audited financial statements:**

7. The Restated Consolidated Summary Statement of the Company have been compiled by the management:
  - a. The audited consolidated financial statement of the Company as at and for the year ended March 31, 2023, March 31, 2022, and March 31, 2021, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on June 9, 2023, September 3, 2022, and November 30, 2021 respectively and other financial records;



- b. The consolidated financial statements included information in relation to the Company's subsidiaries and associates as listed below:

| <b>Name of the entity</b>                           | <b>Relationship</b> | <b>Period covered</b>   |
|---|---------------------|---|
| Solapur Bio Energy Systems Private Limited          | Subsidiary          | For year ended March 31, 2023, March 31, 2022, and March 2021.  |
| Organic Waste India Private Limited                 | Subsidiary          | For year ended March 31, 2023, March 31, 2022, and March 2021.  |
| Pune Urban Recyclers Private Limited                | Subsidiary          | For year ended March 31, 2023, March 31, 2022, and March 2021.  |
| Meerut Bio Energy Systems Private Limited           | Subsidiary          | For year ended March 31, 2023, March 31, 2022, and March 2021.  |
| Blue Planet Palakkad Waste Solution Private Limited | Associates          | For year ended March 31, 2023, March 31, 2022, and for the period from February 14, 2020, to March 31, 2021 |
| Blue Planet Kannur Waste Solution Private Limited   | Associates          | For year ended March 31, 2023, March 31, 2022, and for the period from February 14, 2020, to March 31, 2021 |

8. For the purpose of our examination, we have relied on:

- a. Auditors' reports issued by us dated June 9, 2023, September 3, 2022, and November 30, 2021, on the financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 as referred in Para 7(a) above;

As indicated in our audit reports referred to above, we did not audit the financial statements of subsidiaries as mentioned below and referred in Para 7(b) above:

| <b>Name of the entity</b>                  | <b>Relationship</b> | <b>Name of Auditor</b>    | <b>Audit Report Date</b>  |
|--|---------------------|---------------------------|---|
| Solapur Bio Energy Systems Private Limited | Subsidiary          | Sanghrajka and Associates | August 26, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023   |
| Organic Waste India Private Limited        | Subsidiary          | Sanghrajka and Associates | November 29, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023 |
| Pune Urban Recyclers Private Limited       | Subsidiary          | Sanghrajka and Associates | November 29, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023 |
| Meerut Bio Energy Systems Private Limited  | Subsidiary          | Sanghrajka and Associates | November 29, 2021, for the year ended March 31, 2021, September 3, 2022, for the year ended March 31, 2022, and June 9, 2023, for the year ended March 31, 2023 |



These financial statements included the following amounts with the respect to such subsidiaries were audited by other auditors, whose reports have been provided to us by the management. Accordingly, our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of other auditors.

(INR in Lakhs)

| Particular                             | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Total Assets                           | 8,667.80       | 8,320.76       | 8,598.90       |
| Revenue                                | 1,166.99       | 529.76         | 426.06         |
| Cash Inflows/(outflow)                 | 1.52           | (10.12)        | (1.38)         |
| Group's share of net profit before tax | (106.74)       | (659.17)       | (664.34)       |

b. The examination reports issued by the respective auditors of subsidiaries on the restated standalone summary statement as at and for the year mentioned in the following table:

| Name of the entity                         | Relationship | Name of Auditor           | Examination Report Date   |
|--|--------------|---------------------------|---|
| Solapur Bio Energy Systems Private Limited | Subsidiary   | Sanghrajka and Associates | August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023. |
| Organic Waste India Private Limited        | Subsidiary   | Sanghrajka and Associates | August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023. |
| Pune Urban Recyclers Private Limited       | Subsidiary   | Sanghrajka and Associates | August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023. |
| Meerut Bio Energy Systems Private Limited  | Subsidiary   | Sanghrajka and Associates | August 11, 2023, for the year ended March 31, 2021, March 31, 2022, and March 31, 2023. |

For the financial year ended March 31, 2021, March 31, 2022, and March 31, 2023 above entities share of total assets, total revenues and net cash flows and Group's share of net profit, included in the Restated Consolidated Summary Statements, for the relevant years is tabulated below:

(INR in Lakhs)

| Particular                             | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Total Assets                           | 8,667.80       | 8,320.76       | 8,603.02       |
| Revenue                                | 1,166.99       | 529.76         | 426.06         |
| Cash Inflows/(outflow)                 | 1.52           | (10.12)        | (1.38)         |
| Group's share of net profit before tax | (106.74)       | (659.17)       | (695.22)       |



These restated standalone summary statements have been audited by another firm of Chartered Accountants S&A, whose examination reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are solely based on the examinations reports of the auditors. These other auditors have confirmed that:

- A. The accounting policies as at and for the year ended March 31, 2023 are materially consistent with the policy adopted for the year ended March 31, 2022, and March 31, 2021. Accordingly, no adjustments have been made to the audited financial statements of the respective period presented on account of changes in accounting policy;
  - B. This Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - C. This Restated Consolidated Summary Statements do not contain any qualifications requiring adjustments.
9. In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part 1 of Chapter III of the Act, read with Rule 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note and terms of our engagements agreed with you, we report that:
- a. The Restated Consolidated Summary Statements of Asset and Liabilities of the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure I 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 V – Statement of Restatement adjustment to the audited consolidated financial statements.
  - b. The Restated Consolidated Summary Statements of Profit and Loss of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure II 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 V – Statement of Restatement adjustment to the audited consolidated financial statements.
  - c. The Restated Consolidated Summary Statements of Cash Flows of the Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure III 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 V – Statement of Restatement adjustment to the audited consolidated financial statements.
10. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the report submitted by the Previous Auditors, as referred to in Para 8(b) above for the year, we further report that:
- a. The accounting policies for the year ended March 31, 2023, are materially consistent with the policies adopted for the year ended March 31, 2022 and March 31, 2021. Accordingly, no adjustments, have been made to the audited financial statements of the respective periods presented, on account of changes in accounting policies;
  - b. The Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amount in the respective financial years to which they relate;
  - c. There are no qualifications in the auditors' reports on the consolidated financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 which require any adjustments to the restated consolidated summary statements;



11. We have not audited any financial statements of the Company for any period subsequent to March 31, 2023. Accordingly, we express no opinion on the financial position, results of the operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2023.

**Other Financial Information:**

12. At the Company's request, we have also examined the following Other Consolidated Financial Information, as restated, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

- a. Restated Consolidated Statement of Share Capital, as annexure VI,
- b. Restated Consolidated Statement of Reserves and surplus, as annexure VII,
- c. Restated Consolidated Statement of Borrowings, as annexure VIII,
- d. Restated Consolidated Statement of Other liabilities, as annexure IX,
- e. Restated Consolidated Statement of Provisions, as annexure X,
- f. Restated Consolidated Statement of Trade payables, as annexure XI,
- g. Restated Consolidated Statement of Property, Plant and equipment, Intangible assets, Capital Work in Progress and Intangible Assets Under Development as annexure XII,
- h. Restated Consolidated Statement of Goodwill on Consolidation, as annexure XIII,
- i. Restated Consolidated Statement of Non-current investments, as annexure XIV,
- j. Restated Consolidated Statement of Deferred tax assets, as annexure XV,
- k. Restated Consolidated Statement of Loans and advances, as annexure XVI,
- l. Restated Consolidated Statement of Other assets, as annexure XVII,
- m. Restated Consolidated Statement of Inventories, as annexure XVIII,
- n. Restated Consolidated Statement of Trade receivables, as annexure XIX,
- o. Restated Consolidated Statement of Cash and cash equivalents, as annexure XX,
- p. Restated Consolidated Statement of Revenue from operations, as annexure XXI,
- q. Restated Consolidated Statement of Other income, as annexure XXII,
- r. Restated Consolidated Statement of Direct expenses, as annexure XXIII,
- s. Restated Consolidated Statement of (Increase)/Decrease in Inventories, as annexure XXIV,
- t. Restated Consolidated Statement of Employee benefit expenses, as annexure XXV,
- u. Restated Consolidated Statement of Depreciation and amortisation, as annexure XXVI,
- v. Restated Consolidated Statement of Finance cost, as annexure XXVII,
- w. Restated Consolidated Statement of Other expenses, as annexure XXVIII,
- x. Restated Consolidated Statement of Contingent liabilities, as annexure XXIX,
- y. Restated Consolidated Statement of Related party transactions, as annexure XXX,
- z. Restated Consolidated Statement of Accounting ratios, as annexure XXXI,
- aa. Consolidated Capitalisation Statement, as annexure XXXII,
- bb. Restated Consolidated Statement of Gratuity, as annexure XXXIII,
- cc. Restated Consolidated Statement of Segment Reporting, as annexure XXXIV,
- dd. Restated Consolidated Statement of Registration of charges or satisfaction with Registrar of Companies, as annexure XXXV,
- ee. Restated Consolidated Statement of Other Disclosure, as annexure XXXVI,
- ff. Restated Consolidated Statement of Disclosure in accordance in Accounting Standard- 7 (Revised), as annexure XXXVII,
- gg. Restated Consolidated Statement of Previous period figures, as annexure XXXVIII.



13. According to the information and explanations given to us, in our opinion, the Restated Consolidated Summary Statements and the above Restated Financial Information contained in Annexure VI to XXXVIII accompany this report, read with Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Statements of Profits and Losses and Statements of Cash Flows disclosed in Annexure IV, are prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rule 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
14. 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.
15. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
16. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai 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 Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 104184W/W100075

**Pritesh Bhagat**

Designated Partner

Membership No. 144424

UDIN: 23144424BGRNMB6839

Place: Navi Mumbai

Date: August 11, 2023





## FINANCIAL STATEMENTS AS RESTATED

### Annexure - I : Restated Consolidated Summary Statement of Assets and Liabilities

| Particulars  | Annexure | As at<br>March 31,<br>2023 | As at<br>March 31,<br>2022 | As at<br>March 31,<br>2021 |
|--|----------|----------------------------|----------------------------|----------------------------|
| <b>Equity and liabilities</b>  |          |                            |                            |                            |
| <b>Shareholders' funds</b>   |          |                            |                            |                            |
| Share capital  | VI       | 535.67                     | 45.78                      | 45.78                      |
| Reserves and surplus   | VII      | 2,014.40                   | 763.08                     | 1,298.11                   |
|  |          | <b>2,550.07</b>            | <b>808.86</b>              | <b>1,343.88</b>            |
| <b>Non-current liabilities</b>   |          |                            |                            |                            |
| Long-term borrowings   | VIII     | 6,703.71                   | 4,676.00                   | 4,668.90                   |
| Other Long-term liabilities  | IX       | 453.75                     | 453.75                     | 1,199.57                   |
| Long-term provisions   | X        | 48.01                      | 43.40                      | 39.56                      |
|  |          | <b>7,205.47</b>            | <b>5,173.15</b>            | <b>5,908.03</b>            |
| <b>Current Liabilities</b>   |          |                            |                            |                            |
| Short-term borrowings  | VIII     | 277.70                     | 742.38                     | 780.99                     |
| Trade payables   | XI       |                            |                            |                            |
| Total outstanding dues of micro enterprises and small enterprises                      |          | 733.69                     | 739.42                     | 667.20                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 118.36                     | 125.01                     | 167.98                     |
| Other current liabilities  | IX       | 1,041.88                   | 3,077.02                   | 1,401.25                   |
| Short-term provisions  | X        | 3.94                       | 3.52                       | 3.35                       |
|  |          | <b>2,175.56</b>            | <b>4,687.34</b>            | <b>3,020.77</b>            |
| <b>Total</b>   |          | <b>11,931.10</b>           | <b>10,669.35</b>           | <b>10,272.69</b>           |
| <b>Assets</b>  |          |                            |                            |                            |
| <b>Non-current assets</b>  |          |                            |                            |                            |
| Property, Plant & Equipment and Intangible assets                                      |          |                            |                            |                            |
| -Property, Plant & Equipment   | XII      | 5,928.41                   | 6,352.53                   | 6,745.00                   |
| -Goodwill on Consolidation   | XIII     | 93.81                      | 93.81                      | 104.85                     |
| -Intangible assets   | XII      | 1.09                       | 7.37                       | 13.72                      |
| -Capital Work in Progress  | XII      | 13.98                      | 13.98                      | 13.98                      |
| -Intangible assets under development   | XII      | 1,015.29                   | 604.52                     | 293.09                     |
| Non-current investments  | XIV      | 0.10                       | 0.10                       | 0.48                       |
| Deferred Tax Assets  | XV       | 730.82                     | 748.55                     | 748.55                     |
| Long-term loans and advances   | XVI      | 16.04                      | 79.60                      | 102.82                     |
| Other non current assets   | XVII     | 310.75                     | 405.29                     | 359.76                     |
|  |          | <b>8,110.30</b>            | <b>8,305.75</b>            | <b>8,382.25</b>            |
| <b>Current assets</b>  |          |                            |                            |                            |
| Inventories  | XVIII    | 89.70                      | 120.36                     | 106.76                     |
| Trade receivables  | XIX      | 3,128.40                   | 1,998.93                   | 1,452.19                   |
| Cash and cash equivalents  | XX       | 22.98                      | 26.99                      | 92.15                      |
| Short-term loans and advances  | XVI      | 131.39                     | 217.08                     | 239.30                     |
| Other current assets   | XVII     | 448.33                     | 0.23                       | 0.02                       |
|  |          | <b>3,820.81</b>            | <b>2,363.60</b>            | <b>1,890.43</b>            |
| <b>Total</b>   |          | <b>11,931.10</b>           | <b>10,669.35</b>           | <b>10,272.69</b>           |

**Note:**



**Annexure - II : Restated Consolidated Summary Statement of Profits and Losses**

| Particulars  | Annexure | For the Year<br>Ended March<br>31, 2023 | For the Year<br>Ended<br>March 31,<br>2022 | For the Year<br>Ended<br>March 31,<br>2021 |
|--|----------|---|--|--|
| <b>Income</b>  |          |   |  |  |
| Revenue from operations  | XXI      | 2,471.93                                | 1,461.37                                   | 1,252.38                                   |
| Other income   | XXII     | 62.18                                   | 295.30                                     | 325.80                                     |
| <b>Total Income (I)</b>  |          | <b>2,534.10</b>                         | <b>1,756.67</b>                            | <b>1,578.18</b>                            |
| <b>Expenses</b>  |          |   |  |  |
| Direct expense   | XXIII    | 526.08                                  | 687.25                                     | 774.97                                     |
| Change in inventories of finished goods and work<br>in progress                    | XXIV     | 28.00                                   | (16.85)                                    | 11.99                                      |
| Employee benefits expense  | XXV      | 359.06                                  | 275.40                                     | 227.70                                     |
| Depreciation and amortization expense  | XXVI     | 495.82                                  | 595.99                                     | 644.69                                     |
| Finance costs  | XXVII    | 187.95                                  | 152.74                                     | 131.42                                     |
| Other expenses   | XXVIII   | 471.52                                  | 596.78                                     | 236.63                                     |
| <b>Total expenses (II)</b>   |          | <b>2,068.43</b>                         | <b>2,291.32</b>                            | <b>2,027.40</b>                            |
| <b>Profit / (Loss) before Extraordinary Items, Prior<br/>Period and Tax (I-II)</b> |          | <b>465.68</b>                           | <b>(534.65)</b>                            | <b>(449.22)</b>                            |
| Extraordinary Items  | XXIX     | -                                       | -  | -  |
| <b>Profit / (Loss) before Prior Period and Tax (I-II)</b>                          |          | <b>465.68</b>                           | <b>(534.65)</b>                            | <b>(449.22)</b>                            |
| Prior Period Expenses  |          | -                                       | -  | -  |
| <b>Profit / (Loss) before tax</b>  |          | <b>465.68</b>                           | <b>(534.65)</b>                            | <b>(449.22)</b>                            |
| <b>Tax Expenses</b>  |          |   |  |  |
| Current tax  |          | (82.56)                                 | -  | -  |
| Deferred tax   |          | (17.73)                                 | -  | -  |
| Short/(Excess) provision of tax of earlier years                                   |          | -                                       | -  | -  |
| <b>Total tax expenses</b>  |          | <b>(100.30)</b>                         | <b>-</b>                                   | <b>-</b>                                   |
| <b>Profit / (Loss) before Share of Profit / (Loss) of<br/>Associates</b>           |          | <b>365.38</b>                           | <b>(534.65)</b>                            | <b>(449.22)</b>                            |
| Share of Profit / (Loss) in Associates   |          |   | <b>(0.38)</b>                              | <b>(0.14)</b>                              |
| <b>Profit / (Loss) for the year (before adjustment<br/>for Minority Interest)</b>  |          | <b>365.38</b>                           | <b>(535.03)</b>                            | <b>(449.37)</b>                            |
| Minority Interest  |          | -                                       | -  | -  |
| <b>Profit / (Loss) for the year</b>  |          | <b>365.38</b>                           | <b>(535.03)</b>                            | <b>(449.37)</b>                            |
| <b>Earnings per equity share (in INR) [nominal<br/>value of INR 10 per share</b>   |          |   |  |  |
| Basic  |          | 7.83                                    | (12.93)                                    | (10.86)                                    |
| Diluted  |          | 7.83                                    | (12.09)                                    | (10.15)                                    |
| <b>Note:</b>   |          |   |  |  |



### Annexure - III : Restated Consolidated Summary Statement of Cash Flows

| Particulars   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 | Year Ended<br>31/03/2021 |
|---|--------------------------|--------------------------|--------------------------|
| <b>Cash flow from operating activities</b>                                      |                          |                          |                          |
| Profit / (Loss) before Tax and Extraordinary item                               | 465.68                   | (534.65)                 | (449.22)                 |
| Adjustment to reconcile profit before tax to net cash flows                     |                          |                          |                          |
| Depreciation and amortisation   | 495.82                   | 595.99                   | 644.69                   |
| Finance cost  | 187.95                   | 152.74                   | 131.42                   |
| Interest income   | (9.60)                   | (10.92)                  | (11.56)                  |
| Sundry balance written back   | (50.71)                  | (276.07)                 | (303.76)                 |
| Bad debts and Balance written off   | 2.02                     | 147.50                   | 34.73                    |
| Provision for doubtful debts  | -                        | 74.16                    | -                        |
| Gain on sale of property, plant and equipment                                   | (0.04)                   | (7.70)                   | -                        |
| Impairment of Goodwill  | -                        | 11.04                    | -                        |
| Share of Loss/ Profit of Associate  | -                        | (0.38)                   | (0.14)                   |
| <b>Operating profit before working capital changes</b>                          | 1,091.12                 | 151.70                   | 46.14                    |
| <b>Movement in working capital :</b>  |                          |                          |                          |
| Increase/ (Decrease) in Trade payables  | (10.43)                  | 14.41                    | (94.01)                  |
| Increase/ (Decrease) in Other liabilities                                       | (1,943.37)               | 1,308.93                 | 423.74                   |
| Increase/ (Decrease) in Provisions  | 5.03                     | 4.01                     | 4.17                     |
| Decrease/ (Increase) in Loans and advances                                      | 9.85                     | 39.00                    | 52.77                    |
| Decrease/ (Increase) in Inventories   | 30.66                    | (13.60)                  | 13.68                    |
| Decrease/ (Increase) in Trade receivables                                       | (1,129.46)               | (677.36)                 | (480.63)                 |
| Decrease/ (Increase) in Other current / non current assets                      | (423.88)                 | (43.11)                  | 11.99                    |
| <b>Cash generated from/(used in) operations</b>                                 | (2,370.47)               | 783.98                   | (22.15)                  |
| Direct Taxes paid (net of refunds)  | -                        | -                        | -                        |
| <b>Cash generated from/(used in) operations before extraordinary item</b>       | (2,370.47)               | 783.98                   | (22.15)                  |
| Extraordinary Item  | -                        | -                        | -                        |
| <b>Net cash flow from operating activities (A)</b>                              | (2,370.47)               | 783.98                   | (22.15)                  |
| <b>Cash flow from investing activities</b>                                      |                          |                          |                          |
| Purchase of property, plant and equipment including capital advances            | (126.21)                 | (364.17)                 | (56.16)                  |
| Purchase of intangible asset including capital advances                         | (0.24)                   | (0.75)                   | (0.38)                   |
| Sale of Property, Plant and Equipment   | 0.16                     | 11.31                    | -                        |
| Intangible Asset Under Development  | (338.74)                 | (311.43)                 | (293.09)                 |
| Capital Work in Progress  | -                        | -                        | -                        |
| Term Deposit  | 57.71                    | (3.10)                   | -                        |
| Investment in associates and others   | -                        | 0.38                     | (0.38)                   |
| Interest received   | 21.33                    | -                        | -                        |
| <b>Net cash used in investing activities (B)</b>                                | (385.98)                 | (667.77)                 | (350.00)                 |
| <b>Cash flow from financing activities</b>                                      |                          |                          |                          |
| Issue of compulsory convertible debentures                                      | 1,385.00                 | -                        | -                        |
| Redemption of optionally convertible debentures                                 | (9.17)                   | -                        | -                        |
| Proceeds /(Repayment) from long-term borrowings including current maturity, net | 2,123.52                 | (19.89)                  | 595.40                   |
| Proceeds /(Repayment) from short-term borrowings, net                           | (560.49)                 | (11.57)                  | (20.21)                  |
| Interest paid   | (186.41)                 | (153.01)                 | (131.42)                 |
| <b>Net cash used in financing activities (C)</b>                                | 2,752.45                 | (184.47)                 | 443.76                   |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>         | (4.01)                   | (68.26)                  | 71.61                    |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>                 | 23.89                    | 92.15                    | 20.54                    |
| <b>Cash and cash equivalents at end of the year</b>                             | 19.88                    | 23.89                    | 92.15                    |
| <b>Components of cash and cash equivalents</b>                                  |                          |                          |                          |
| Cash in hand  | 2.73                     | 3.05                     | 5.60                     |
| Balances with banks:  |                          |                          |                          |
| - on current accounts   | 17.15                    | 20.84                    | 86.54                    |
|   | -                        | -                        | -                        |
| <b>Total cash &amp; cash equivalents</b>  | 19.88                    | 23.89                    | 92.15                    |

Note:



## **Annexure - IV : Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Statement of Profits and Losses and Statement of Cash Flows**

### **1. Nature of Operation**

Organic Recycling Systems Limited ("the Company" or "the Holding Company") is a Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on August 29, 2008. The Company together with its subsidiaries and associates herein after collectively referred to as 'the Group'. The Company is a technology development company focused on pioneering in developing solutions focused on the Municipal Solid Waste (MSW) space. The Company is involved in the Construction, Development and Maintenance of Waste-to-Energy projects, particularly in the Municipal Solid Waste sector, through various Special Purpose Vehicles ("SPVs"). Further, the company has also started monetizing its technology through entering into EPC contracts with developers of MSW projects. The Company was incorporated as a private limited company and became a Limited Company in September, 2022.

The Company operates through bidding for waste management projects and has been awarded contracts by various Municipal Corporations. Some of this contract are executed through SPV

### **2. Basis of accounting and preparation of Restated Consolidated Summary Statements**

The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2023, March 31, 2022 and March 31, 2021 and the Related Restated Consolidated Summary Statement of Profits and Losses and Restated Consolidated Summary Statement of Cash Flows for the period ended March 31, 2023, March 31, 2022 and March 31, 2021 and other financial information (hereinafter collectively referred to as "Restated Consolidated Summary Statement") have been derived by the management from the then Audited Consolidated Financial Statements of the Group for the respective corresponding periods.

The Audited Consolidated Financial Statements were prepared in accordance with generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Group has prepared the Restated Consolidated Summary Statements to comply with in all material aspects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act"), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2006. The Restated Consolidated Summary Statements have been prepared on accrual basis and under the historical cost convention. The accounting policies are applied consistently in preparation of the Restated Consolidated Summary Statements. and are consistent with those used in preparation of the financial statement for year ended on March 31, 2023.

The Restated Statements and Other Financial Information have been prepared for inclusion in the Offer Document to be filed by the Group with the Securities and Exchange Board of India (SEBI) in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

- (a) Sub clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part 1 Chapter III of the Act read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014: and
- (b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, as amended (the "Regulation") issued by the Securities and Exchange Board of India (SEBI) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

These Statements and Other Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years to which they relate.

#### **2.1 Basis of Consolidation**

- i. The Restated Consolidated Summary Statements of the Group have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements'.
- ii. The Restated Consolidated Summary Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.



- iii. The Restated Consolidated Summary Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iv. The difference between the cost of investment in the Subsidiaries over the net assets at the time of acquisition of the investment in the subsidiaries is recognised in the Restated Consolidated Summary Statements as Goodwill on Consolidation or Capital Reserve as the case may be. Investments made by the parent company in subsidiary companies subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the Restated Consolidated Summary Statements.
- v. Intragroup balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered, are eliminated to the extent of share of the parent company in full.
- vi. In case of associate where the Company has significant influence or hold directly or indirectly through subsidiaries 20% or more of equity shares, investment in associates are accounted for using equity method in accordance with AS 23 – ‘Accounting for Investments in Associates in Consolidated Financial Statements’, as notified accounting standard by Companies Accounting Standards Rules, 2021. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates in the statement of profit and loss.

The entities considered in the Restated Consolidated Summary Statements are listed below :

| Name of the Group                                    | Country of Incorporation | Proportion of ownership interest |            |            |
|--|--------------------------|----------------------------------|------------|------------|
|  |                          | 31/03/2023                       | 31/03/2022 | 31/03/2021 |
| <b>Subsidiaries :</b>                                |                          |                                  |            |            |
| Solapur Bio Energy System Private Limited            | India                    | 100%                             | 100%       | 100%       |
| Organic Waste India Private Limited                  | India                    | 100%                             | 100%       | 100%       |
| Pune Urban Recyclers Private Limited                 | India                    | 100%                             | 100%       | 100%       |
| Meerut Bio Energy System Private Limited             | India                    | 100%                             | 100%       | 100%       |
| <b>Associates :</b>                                  |                          |                                  |            |            |
| Blue Planet Palakkad Waste Solutions Private Limited | India                    | 26%                              | 26%        | 26%        |
| Blue Planet Kannur Waste Solutions Private Limited   | India                    | 26%                              | 26%        | 26%        |

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle, and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of product and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as up to twelve months for the purpose of current/non- current classification of assets and liabilities.

#### **Current-Non current classification**

All assets and liabilities are classified into current and non-current as follows:

#### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realised in, or is intended for sale or consumption in, the Group’s normal operating cycle;



- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realised within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Group's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### **3. Summary of significant accounting policies**

- a. Presentation and disclosure

The Group has prepared the Restated Consolidated Summary Statements along with the relevant notes with the requirements of Schedule III of the Act.

- b. Use of estimates

The preparation of Restated Consolidated Summary Statements in conformity with Indian GAAP requires the management to make judgments, estimates and disclosure that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

- c. Cash and Cash Equivalent

Cash and cash equivalents for the purposes of restated consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

- d. Cash flow statement

Restated Consolidated Summary Statement of Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Restated Consolidated Summary Statement of Cash Flows from operating, investing and financing activities of the Group are segregated based on the available information.

- e. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, installation or construction including other direct expenses incurred to bring the assets to its working condition for its intended use less accumulated depreciation, amortization, impairment, discardation and compensation.

Gains or losses arising from derecognition of Property, plant and 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.

f. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are recognized only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Technology Development

Expenditure incurred during research is charged to revenue when no intangible asset arises from such research.

Development expenditure is capitalised to the extent that it is expected that such asset will generate future economic benefits; adequate technical, financial and other resources required to complete the development and to use or sell the asset are available, and the expenditure attributable to the asset during its development can be measured reliably. The Group has filed its patent for 'DRYAD' Technology in June 2014. The Group has received the patent on June 16, 2022. In addition to it, the company had filed a patent for "Integrated Process for Pre-treatment and Anaerobic digestion of waste" and apparatus used therein (called as MARUT Drum and allied equipment) in June, 2014. The Company has been granted this patent on July 10, 2023.

Goodwill

Goodwill comprises the excess of purchase consideration over the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made.

g. Depreciation & Amortisation

Depreciation on Property, Plant & Equipment is provided on the written down value method at the calculated rates on the basis of the useful life specified in Part C and in the manner prescribed under Schedule II of the Companies Act, 2013, as under:

| <b>Property, Plant &amp; Equipment</b> | <b>Useful Life</b> |
|--|--------------------|
| Office Equipment                       | 5 years            |
| Furniture & Fixtures                   | 10 years           |
| Computers                              | 3 years            |
| Vehicles                               | 8 Years            |
| Building                               | 30 years           |
| Plant and Machinery                    | 35 years           |

During the reporting periods, depreciation is provided at 100% on the written down value of assets which have retired from active use.

Intangible assets in the nature of software are amortised on a Straight Line Method over their useful lives of 3 years.

The Group has amortized the Technology Development cost over its estimated life over 10 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each reporting date and the amortization method is revised to reflect the changed pattern, if any.

Goodwill has not been amortised because management is of the view that future economic benefits would be realised from the investment made in the subsidiaries.

h. Intangible Assets under Development

Intangible assets under development is stated at cost, net of accumulated impairment losses, if any. The cost comprises of direct salary cost incurred in development of Marut Drum, Phosphate Rich Organic Manure (PROM), Activated Carbon and In-vessel composting, Sugar King/Sugarcane Plus-Products, Co-digestion of Agri residue and other feedstock/ HRT Reactor / Pre-treatment of mixed biomass or waste, H2S and Moisture scrubber Technology and Biochar to Brick/tiles application.



i. Revenue Recognition

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

**Revenue from Construction Contract**

- a. For Engineering, Procurement and Construct'on ('EPC') and construction contracts, contract prices are either fixed or subject to price escalation clauses.
- b. Revenues are recognised on a percentage of completion method measured on the basis of stage of completion which is as per joint surveys and work certified by the customers.
- c. Profit is recognized in proportion to the value of work done (measured by the stage of completion) when the outcome of the contract can be estimated reliably. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognized immediately.
- d. Amounts due in respect of price escalation claims and/ or variation in contract work are recognised as revenue only if the contract allows for such claims or variations and/or there is evidence that the customer has accepted it and are capable of being reliably measured.

Accounting of Supply Contracts- Sale of goods

Revenue is recognised when there is a transfer of significant risks and rewards of ownership in goods to the buyer.

**Interest Income**

Interest income is recognised on time proportion basis taking into account amount outstanding and the applicable interest rate.

**Service Income**

Service income is recognised on the basis of completion of service method.

j. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current investments are carried in the Restated Consolidated Summary Statements at lower of cost and fair value determined on an individual investment basis. All other investments are classified as long term investments. Long term investments are carried at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

k. Inventories

Inventories are stated at lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises cost of raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

l. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies outstanding in Restated Consolidated Summary Statements are restated at the rates prevailing on that date. The exchange differences arising on settlement / restatement of foreign currency monetary items are capitalized as part of the depreciable Property, Plant and Equipment to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable Property, Plant and Equipment, the exchange differences are charged to the Restated Consolidated Summary Statements. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.





m. Retirement and other employee benefits

Short Term Employee Benefits

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

Post-Employment Benefits

Group's contribution for the period paid/payable to defined contribution retirement benefit schemes are charged to Restated Consolidated Summary Statement of Profit and Loss. Group's liability towards defined benefit plan viz. gratuity is determined using the Projected Unit Credit Method as per actuarial valuation carried out at the reporting date. The benefit is unfunded. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the Restated Consolidated Summary Statement of Profit and Loss.

n. Borrowing Cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Restated Consolidated Summary Statement of Profit and Loss in which they are incurred.

o. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the reporting period 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

p. Operating Lease

Lease arrangements under the Group where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense in the Restated Consolidated Summary Statement as per terms of lease agreement.

q. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the reporting period and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Restated Consolidated Summary Statement of Profits and Losses.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax



assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

r. Impairment of Assets

At each reporting date, the Group assesses as to whether there is any indication that an asset is impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Restated Consolidated Summary Statement of Profits and Losses. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. However, as per the assessment made by the Group as on the reporting date, there is no such indication of any impairment of any asset during the reporting period under report and therefore there is no effect of impairment loss in the Restated Consolidated Summary Statements for the period under report.

s. Impairment of Goodwill

Goodwill arising on acquisition represents a payment made by an acquirer in anticipation of future economic benefits. The future economic benefits may result from synergy between the identifiable assets acquired or from assets that individually do not qualify for recognition in the financial statements. Goodwill does not generate cash flows independently from other assets or groups of assets and, therefore, the recoverable amount of goodwill as an individual asset cannot be determined. As a consequence, if there is an indication that goodwill may be impaired, recoverable amount is determined for the cash-generating unit to which goodwill belongs. This amount is then compared to the carrying amount of this cash-generating unit and any impairment loss is recognised

t. Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group's expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Restated Consolidated Summary Statement of Profits and Losses net of any reimbursement.

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 Group 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 Group does not recognize a contingent liability but discloses its existence in the Restated Consolidated Summary Statements.



### Annexure V : Statement of Restatement Adjustments to Audited Consolidated Financial Statements

The summary of results of restatement made in the audited Consolidated Summary Statements for the respective years and its impact on the profits / (losses) of the Group is as follows:

(INR in lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 | Year Ended<br>31/03/2021 |
|--|--------------------------|--------------------------|--------------------------|
| <b>Net profit/(loss) as per audited financial statements</b>           | <b>365.38</b>            | <b>-533.48</b>           | <b>-460.32</b>           |
| Adjustments to net profit / (loss) as per audited financial statements |                          |                          |                          |
| <b>i) (Increase)/Decrease in Expenses</b>                              |                          |                          |                          |
| Bank Charges   | -                        | -                        | 0                        |
| Repairs and Maintenance  | -                        | -                        | 0.09                     |
| Security charges   | -                        | -                        | 2.17                     |
| Business promotion expenses  | -                        | -                        | 0.38                     |
| Contributions to provident and other funds                             | -                        | -                        | 0.01                     |
| Legal and professional charges   | -                        | -                        | 1.83                     |
| Office expenses  | -                        | -                        | 0.12                     |
| Rates and taxes  | -                        | -                        | 4.38                     |
| Travelling and conveyance expenses                                     | -                        | -                        | 0.12                     |
| Lodging and Boarding expenses  | -                        | -                        | 0.31                     |
|  | -                        | -                        | <b>9.41</b>              |
| <b>ii) Error in previous period Consolidation</b>                      |                          |                          |                          |
| Share of Profit / (Loss) in Associates                                 | -                        | -1.55                    | 1.55                     |
|  | -                        | <b>-1.55</b>             | <b>1.55</b>              |
| <b>Total adjustments (i+ii)</b>  | -                        | -1.55                    | 10.95                    |
| <b>Restated Profit / (loss) before tax adjustments</b>                 | <b>365.38</b>            | <b>-535.03</b>           | <b>-449.37</b>           |
| Total current tax adjustment of earlier years                          | -                        | -                        | -                        |
| Tax impact of adjustments  | -                        | -                        | -                        |
| <b>Total tax adjustments</b>   | -                        | -                        | -                        |
| <b>Restated Profit / (loss) after tax</b>                              | <b>365.38</b>            | <b>-535.03</b>           | <b>-449.37</b>           |

Notes:

The above statement should be read with the notes to the Restated Consolidated Summary Statement as appearing in Annexure V.

#### 1. Prior period expenses

In the year ended March 31, 2021, expenses to the extent of INR 9.41 Lakhs was charged in respect of earlier year as prior period. In the Restated Consolidated Summary Statements, these expenses have been appropriately restated for the respective year.

#### 2. Error in previous period Consolidation

In the year March 31, 2021, the share of loss from associate was wrongly taken more to the extent of INR 1.55 Lakhs. In the Restated Consolidated Summary Statements, this share of loss from associate has been appropriately restated for the respective year.



### 3. Tax adjustments

The impact, if any on the restated item in notes 1 above on the tax has been treated as deferred tax adjustment in the Restated Consolidated Summary Statements.

### 4. Material regrouping

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, 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 financials of the Group for the period ended August 31, 2022 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations 2009 (as amended).

### 5. Related party transactions

Certain disclosures in respect of related party transactions were either not included or the amounts were incorrectly considered in the earlier audited financial statements have now been rectified in the Restated Consolidated Summary Statements based on the examination report issued by auditors.

### 6. Contingent liabilities

Certain contingent liabilities amounts were either not included or incorrectly considered in the disclosure in the earlier audited financial statements, which have now been rectified in the Restated Consolidated Summary Statements based on the examination report issued by the auditors.

### 7. Impact of Audit Qualifications / Observations in Statutory Auditors' Report on Financial Statements

There has been no audit qualifications / observations in Statutory Auditors' Report which requires adjustments in Restated Consolidated Summary Statements.

## Annexure VI - Restated Consolidated Statement of Share Capital

| Share Capital  | As at 31/03/2023 |                 | As at 31/03/2022 |                 | As at 31/03/2021 |              |
|--|------------------|-----------------|------------------|-----------------|------------------|--------------|
|  | Number of Shares | INR in Lakhs    | Number of Shares | INR in Lakhs    | Number of Shares | INR in Lakhs |
| <b>Authorized capital</b>  |                  |                 |                  |                 |                  |              |
| Equity shares of INR 10 each   | 2,00,40,000      | 2,004.00        | 2,00,40,000      | 2,004.00        | 40,000           | 4.00         |
| 0% Optionally convertible preference shares of INR 10 each                                 | 3,00,000         | 30.00           | 3,00,000         | 30.00           | 3,00,000         | 30.00        |
| 0% Non-cumulative redeemable preference shares of INR10 each                               | 1,60,000         | 16.00           | 1,60,000         | 16.00           | 1,60,000         | 16.00        |
| <b>Total</b>   |                  | <b>2,050.00</b> |                  | <b>2,050.00</b> |                  | <b>50.00</b> |
| <b>Issued, subscribed and fully paid up share capital</b>                                  |                  |                 |                  |                 |                  |              |
| Equity shares of INR10 each (Previous year : INR 10 each)                                  | 51,99,075        | 519.91          | 13,750           | 1.38            | 13,750           | 1.38         |
| 0% Optionally convertible preference shares of INR10 each (Previous year : INR 10 each)    | -                | -               | 2,86,400         | 28.64           | 2,86,400         | 28.64        |
| 0% Non-cumulative redeemable preference shares of INR10 each (Previous year : INR 10 each) | 1,57,632         | 15.76           | 1,57,632         | 15.76           | 1,57,632         | 15.76        |
| <b>Total issued, subscribed and fully paid-up share capital</b>                            |                  | <b>535.67</b>   |                  | <b>45.78</b>    |                  | <b>45.78</b> |



## (A) Equity Share Capital

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

| Particulars  | As at 31/03/2023 |               | As at 31/03/2022 |              | As at 31/03/2021 |              |
|--|------------------|---------------|------------------|--------------|------------------|--------------|
|  | Number of Shares | INR in Lakhs  | Number of Shares | INR in Lakhs | Number of Shares | INR in Lakhs |
| At the beginning of the year   | 13,750           | 1.38          | 13,750           | 1.38         | 13,750           | 1.38         |
| Add: (i) Bonus shares issued during the year                                 | 41,25,000        | 412.5         | -                | -            | -                | -            |
| (ii) 0% optionally convertible preference shares converted during the period | 1,94,700         | 19.47         |                  |              |                  |              |
| (iii) Compulsory convertible debentures converted during the period          | 8,65,625         | 86.56         |                  |              |                  |              |
| Less: Shares Bought Back during the year                                     | -                | -             | -                | -            | -                | -            |
| <b>Outstanding at the end of the year</b>                                    | <b>5,199,075</b> | <b>519.91</b> | <b>13,750</b>    | <b>1.38</b>  | <b>13,750</b>    | <b>1.38</b>  |

### Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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 shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of shares held by the shareholders.

### Details of Shareholders holding more than 5% Equity Shares

| Name of the Shareholder | As at 31/03/2023 |           | As at 31/03/2022 |           | As at 31/03/2021 |           |
|-------------------------|------------------|-----------|------------------|-----------|------------------|-----------|
|                         | Number of Shares | % holding | Number of Shares | % holding | Number of Shares | % holding |
| Sarang Bhand            | 15,67,006        | 30.14%    | 5,206            | 37.86%    | 5,000            | 36.36%    |
| Vipul Modi              | 2,59,763         | 5.00%     | 2,062            | 15.00%    | 2,062            | 15.00%    |
| Leena Modi              | -                | -         | 2,063            | 15.00%    | 2,063            | 15.00%    |
| Mahendra Modi           | 1,83,610         | 3.53%     | 2,062            | 15.00%    | 2,062            | 15.00%    |
| Niketa Modi             | 1,17,672         | 2.26%     | 2,063            | 15.00%    | 2,063            | 15.00%    |
| Shurud Patel            | 5,71,443         | 10.99%    | -                | -         | -                | -         |
| Harish Mehta            | 3,60,899         | 6.94%     | -                | -         | -                | -         |

As per the records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The company has not issued shares pursuant to any contract for consideration other than cash, Bonus shares and shares bought back during 5 preceding years.

### Disclosure of Shareholding of Promoters

| Name of the Promoter | As at 31/03/2023 |           | As at 31/03/2022 |           | As at 31/03/2021 |           |
|----------------------|------------------|-----------|------------------|-----------|------------------|-----------|
|                      | Number of Shares | % holding | Number of Shares | % holding | Number of Shares | % holding |
| Sarang Bhand         | 15,67,006        | 30.14%    | 5,206            | 37.86%    | 5,000            | 36.36%    |

## (B) 0% Optionally Convertible Preference Shares

Reconciliation of the 0% optionally convertible preference shares outstanding at the beginning and at the end of the reporting period:



| Particulars   | As at 31/03/2023 |              | As at 31/03/2022 |              | As at 31/03/2021 |              |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
|   | Number of Shares | INR in Lakhs | Number of Shares | INR in Lakhs | Number of Shares | INR in Lakhs |
| At the beginning of the year                                | 2,86,400         | 28.64        | 2,86,400         | 28.64        | 2,86,400         | 28.64        |
| Add: Shares issued during the year                          | -                | -            | -                | -            | -                | -            |
| Less: Shares Bought Back during the year                    | -                | -            | -                | -            | -                | -            |
| Less: Shares redeemed during the period                     | (91,700)         | (9.17)       |                  |              |                  |              |
| Less: Shares converted into equity shares during the period | (1,94,700)       | (19.47)      |                  |              |                  |              |
| <b>Outstanding at the end of the year</b>                   | <b>--</b>        | <b>--</b>    | <b>2,86,400</b>  | <b>28.64</b> | <b>2,86,400</b>  | <b>28.64</b> |

### Terms/Rights attached to 0% Optionally Convertible Preference Shares ("OCPS")

Conversion and/or redemption of OCPS shall be as per the terms contained in the Share Subscription Agreement dated September 16, 2013 and any subsequent addendums thereof. Any further extension in the date of conversion or redemption shall be as per mutual agreement between the parties, without the need for any members approval.

Transfer of OCPS is subject to the terms contained in the Share Subscription Agreement dated September 16, 2013 and any subsequent addendums thereof.

OCPS holder shall be entitled to rights and privileges as are contained in the Share Subscription Agreement dated September 16, 2013 and any subsequent addendums thereof.

No dividend is payable on the OCPS of the Company.

### Details of Shareholders holding more than 5% Optionally Convertible Preference Shares

| Name of the Shareholder  | As at 31/03/2023 |           | As at 31/03/2022 |           | As at 31/03/2021 |           |
|--|------------------|-----------|------------------|-----------|------------------|-----------|
|  | Number of Shares | % holding | Number of Shares | % holding | Number of Shares | % holding |
| Intellivate Capital Ventures Limited   | -                | -         | 28,898           | 10.09%    | 28,898           | 10.09%    |
| Suhas Bhand  | -                | -         | 54,000           | 18.85%    | 54,000           | 18.85%    |
| Sarang Bhand   | -                | -         | 37,700           | 13.16%    | 37,700           | 13.16%    |
| Suhrud Patel   | -                | -         | 25,730           | 8.98%     | 25,730           | 8.98%     |
| K. A. Investments Consultancy LLP (Formerly known as Leena Investment Consultancy LLP) | -                | -         | 79,535           | 27.77%    | 79,535           | 27.77%    |
| Quick Trading and Investment Advisors LLP  |                  |           | -                | -         | -                | -         |
| Sunil Equitrade Private Limited  |                  |           | -                | -         | -                | -         |

### Disclosure of Shareholding of Promoters

| Name of the Promoter | As at 31/03/2023 |           | As at 31/03/2022 |           | As at 31/03/2021 |           |
|----------------------|------------------|-----------|------------------|-----------|------------------|-----------|
|                      | Number of Shares | % holding | Number of Shares | % holding | Number of Shares | % holding |
| Sarang Bhand         | --               | --        | 37,700           | 13.16%    | 37,700           | 13.16%    |

### (C) 0% Non-Cumulative Redeemable Preference Shares

Reconciliation of the 0% Non-Cumulative Redeemable Preference Shares outstanding at the beginning and at the end of the reporting period:

| Particulars | As at 31/03/2023 |        | As at 31/03/2022 |        | As at 31/03/2021 |        |
|-------------|------------------|--------|------------------|--------|------------------|--------|
|             | Number           | INR in | Number of        | INR in | Number           | INR in |



|   | of Shares       | Lakhs        | Shares          | Lakhs        | of Shares       | Lakhs        |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| At the beginning of the year              | 1,57,632        | 15.76        | 1,57,632        | 15.76        | 1,57,632        | 15.76        |
| Add: Shares issued during the year        | -               | -            | -               | -            | -               | -            |
| Less: Shares Bought Back during the year  | -               | -            | -               | -            | -               | -            |
| <b>Outstanding at the end of the year</b> | <b>1,57,632</b> | <b>15.76</b> | <b>1,57,632</b> | <b>15.76</b> | <b>1,57,632</b> | <b>15.76</b> |

#### Terms/Rights attached to 0% non-cumulative redeemable preference shares

Preference shareholders shall be entitled to rights and privileges as are contained in the Preference Share Agreement dated September 16, 2013 and any subsequent addendums thereof subject to the Companies Act, 1956 and any subsequent re-enactments thereof.

Preference Shares are redeemable / transferable in accordance with the terms contained in the Preference Share Agreement dated September 16, 2013 and any subsequent addendums thereof. As per addendum dated September 30, 2018, the preference shares are redeemable on any date on or before March 31, 2024

No dividend is payable on the preference shares of the Company.

Each of the shares shall be redeemed at price calculated based on annual return of 18% p.a. for the Redemption period.

#### Details of Shareholders holding more than 5% Non-Cumulative Redeemable Preference Shares

| Name of the Shareholder                     | As at 31/03/2023 |           | As at 31/03/2022 |           | As at 31/03/2021 |           |
|---|------------------|-----------|------------------|-----------|------------------|-----------|
|   | Number of Shares | % holding | Number of Shares | % holding | Number of Shares | % holding |
| Manish Modi                                 | 68,916           | 43.72%    | 52,116           | 33.06%    | 52,116           | 33.06%    |
| Milap C Shah                                | 45,860           | 29.09%    | 45,860           | 29.09%    | 45,860           | 29.09%    |
| Mahendra Kumar Gupta                        | -                | -         | 16,800           | 10.66%    | 16,800           | 10.66%    |
| Mahendra Modi                               | 14,000           | 8.88%     | 14,000           | 8.88%     | 14,000           | 8.88%     |
| Rupal J Shah Trustee of J.P.S. Family Trust | 12,000           | 7.61%     | 12,000           | 7.61%     | 12,000           | 7.61%     |
| Ami Modi                                    | 10,740           | 6.81%     | 10,740           | 6.81%     | 10,740           | 6.81%     |



## Annexure VII - Restated Consolidated Statement of Reserves and surplus

(INR in lakhs)

| Reserves and Surplus  | As at 31/03/2023  | As at<br>31/03/2022 | As at<br>31/03/2021 |
|---|-------------------|---------------------|---------------------|
| <b>Capital Redemption Reserve</b>                                       |                   |                     |                     |
| Balance as at the beginning of the year                                 | -                 |                     |                     |
| Add: Addition on account of redemption of preference shares             | 9.17              |                     |                     |
| Balance as at the end of the year                                       | 9.17              |                     |                     |
| <b>Securities premium account</b>                                       |                   |                     |                     |
| Balance as at the beginning of the year                                 | 10,061.83         | 10,061.83           | 10,061.83           |
| Add: Premium on Conversion of Compulsorily Convertible Debenture        | 1,298.44          | -                   | -                   |
| Less: Utilised on allotment of Bonus shares                             | (412.50)          |                     |                     |
| <b>Balance as at the end of the year</b>                                | <b>10,947.76</b>  | <b>10,061.83</b>    | <b>10,061.83</b>    |
| <b>Surplus in the Statement of Profit and Loss</b>                      |                   |                     |                     |
| Balance as at the beginning of the year                                 | (9,298.75)        | (8,763.72)          | (8,314.35)          |
| Add: Profit / (Loss) for the year                                       | 365.38            | (535.03)            | (449.37)            |
| Less: Transferred to Capital Redemption Reserve [refer note (iv) below] | (9.17)            |                     |                     |
| <b>Closing balance</b>  | <b>(8,942.53)</b> | <b>(9,298.75)</b>   | <b>(8,763.72)</b>   |
| <b>Total reserves and surplus</b>                                       | <b>2,014.40</b>   | <b>763.08</b>       | <b>1,298.11</b>     |

### Notes

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) During the F.Y. 2022-23, the Company has converted 1,38,50,000, 0.01% Compulsorily Convertible Debenture Series I (CCD Series I) of INR 10 each into 8,65,625 Equity Shares of INR 10 each in the ratio of 0.0625:1 (0.0625 Equity Shares of INR 10 each for every 1 0.01% Compulsorily Convertible Debenture Series I held of INR 10 each) at INR 160 per share.

iv) The Company had issued redeemable preference shares in 2013 which were redeemed out of profits in September 2022. In order to comply with the requirements of the then applicable Section 55 of the Companies Act, 2013, the Company had transferred amounts to the Capital Redemption Reserve.





### Annexure VIII - Restated Consolidated Statement of Borrowings

(INR in lakhs)

| Particulars                      | Short term          |                     | As at<br>31/03/2021 | Long term           |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | As at<br>31/03/2023 | As at<br>31/03/2022 |                     | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
| <b>Secured :</b>                 |                     |                     |                     |                     |                     |                     |
| <b>Term loans</b>                |                     |                     |                     |                     |                     |                     |
| From Banks                       | 180.68              | 87.66               | 114.7               | 278.97              | 458.56              | 358.67              |
| <b>Loans repayable on demand</b> |                     |                     |                     |                     |                     |                     |
| From Banks                       | 93.94               | 654.1               | 666.28              | -                   | -                   | -                   |
|                                  | <b>274.62</b>       | <b>741.76</b>       | <b>780.99</b>       | <b>278.97</b>       | <b>458.56</b>       | <b>358.67</b>       |
| <b>Unsecured :</b>               |                     |                     |                     |                     |                     |                     |
| From Financial Institutions      | 2.79                | -                   | -                   | 19.45               | 22.24               | 22.83               |
| Bank Overdraft                   | 0.29                | 0.62                | -                   | -                   | -                   | -                   |
| From Director                    | -                   | -                   | -                   | 9.17                | -                   | 0.05                |
| Inter-Corporate Deposit          | -                   | -                   | -                   | 6,396.13            | 4,195.20            | 4,287.35            |
|                                  | 3.08                | <b>0.62</b>         | -                   | 6,424.74            | <b>4,217.45</b>     | <b>4,310.23</b>     |
|                                  |                     |                     |                     |                     |                     |                     |
| <b>Total</b>                     | <b>277.70</b>       | <b>742.38</b>       | <b>780.99</b>       | <b>6,703.71</b>     | <b>4,676.00</b>     | <b>4,668.90</b>     |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

#### iii) Terms and Conditions of the Borrowings :

Nature of Security :

a) Car loan from ICICI Bank is secured by hypothecation of the vehicle financed by bank

b) Car loan from HDFC Bank is secured by hypothecation of the vehicle funded by bank

Term loans are secured by :

- iv) Hypothecation of Stock and Book Debts (Both Present and future).
- v) Hypothecation of Plant and Machineries.
- vi) Equitable Mortgage of the Leasehold land and Building situated at Survey No. 68(1) (Old) & Survey No. 74/1 (New), Situating at Mouje Solapur, Tuljapur Road, Tahsil and District Solapur admeasuring area 09 Acres.
- vii) Cash margin on bank Gurantee limit.
- viii) Equitable Motgage on commercial Office premises situated at office No. 2 A, 2nd floor in Building No. 3 of City Mall, Link Road, Oshiwara, Link Road Andheri West, Mumbai belonging to Vision Corporation Limited.
- ix) Pledge of 14,80,000 Redeemable Preference Shares (INR 10 per share) of Solapur Bio Energy System Private Limited owned by Organic Recycling System Limited.
- x) Pledge of 37,00,000 fully paid up equity shares (INR 10 per share) of Solapur Bio Energy System Private Limited owned by Organic Recycling System Limited.

The entire credit facility will further secured by Personal/Corporate Gurantee of the following individuals/organizations:

1. Sarang Bhand
2. Organic Recycling System Limited
3. Vision Corporation Limited
4. Five Elements Environment Venture Private Limited

#### Terms of Repayment with interest



- a) Car Loan from ICICI Bank is repayable in 62 monthly instalment amounting to INR 0.41 Lakhs commencing from August 2018 along with interest at 8.75 % p.a.  
 b) Car Loan from HDFC Bank is repayable in 84 monthly instalment amounting to INR 0.38 Lakhs commencing from March 2022 along with interest at 7.10 % p.a.

**c) Term Loan from Bank of Baroda**

As per Original sanction letter, loan is repayable in 84 monthly instalment. As per revised Sanction letter dated October 30, 2021, the loan is repayable in 45 monthly instalment including moratorium period. Interest at BRLLR + 2.25% spread p.a. Spread to be reset linked to credit rating of the unit on completion of 24 months (including moratorium) from date of implementation of restructuring. Terms of repayment are as follow :

| Financial Year | EMI (INR in lakhs) |
|----------------|--------------------|
| 2021-22        | 7.49               |
| 2022-23        | 74.87              |
| 2023-24        | 137.41             |
| 2024-25        | 150.01             |
| 2025-26        | 47.80              |

Term loan taken for the purpose to build up current assets for working capital requirements/to meet liquidity crunch/Cash flow mismatch. Term loan repayable in 36 monthly instalment with interest commencing from August 2020 and principal amount commencing from July 2021 along with interest at BRLLR + 1% p.a. with monthly rests. BRLLR is linked to RBI Repo rate and the same will change in line with movement of RBI repo rate.

| Financial Year | EMI (INR in lakhs) |
|----------------|--------------------|
| 2021-22        | 29.14              |
| 2022-23        | 35.10              |
| 2023-24        | 32.65              |
| 2024-25        | 7.67               |

Term loan taken for the purpose to build up current assets for working capital requirements/To meet liquidity crunch/Cash flow mismatch. Term loan repayable in 36 monthly instalment with interest commencing from December 2021 and principal amount commencing from December 2023 along with interest at BRLLR + 1% p.a. with monthly rests. BRLLR is linked to RBI Repo rate and the same will change in line with movement of RBI repo rate. Terms of repayment are as follow :

| Financial Year | EMI (INR in lakhs) |
|----------------|--------------------|
| 2021-22        | 0.92               |
| 2022-23        | 3.99               |
| 2023-24        | 9.15               |
| 2024-25        | 18.06              |
| 2025-26        | 16.68              |
| 2026-27        | 10.35              |

Term loan taken for the purpose for additional funding under OTR 2.0 for purchase of Plant and Machineries (imported and indigenous). Term loan repayable in 60 monthly instalment with interest commencing from January 2022 and principal amount commencing from January 2023 along with interest at BRLLR + 2.25 % spread p.a. Spread to be reset linked to credit rating of the unit on completion of 24 months (including moratorium) from date of implementation of restructuring. Terms of repayment are as follow :

| Financial Year | EMI (INR in lakhs) |
|----------------|--------------------|
| 2021-22        | 1.22               |
| 2022-23        | 14.44              |
| 2023-24        | 35.94              |
| 2024-25        | 31.12              |



| Particulars  | Terms of Repayment with interest  | EMI (INR in Lakhs) |
|--|---|--------------------|
| <b>From Financial Institution :</b>                        |   |                    |
| Business loan from Bajaj Finance                           | Repayable in 84 monthly instalment. Out of which initial 26 instalment only interest amount to be paid and subsequent 58 instalment, principal and interest to be paid. Principal repayment commence from May 2023 along with interest at 18% p.a.  | 0.58               |
| <b>Inter-Corporate Deposit</b>                             |   |                    |
| Aegis Warehousing Services Private Limited                 | There is no specific repayment schedule of this long-term loan. However as per the agreement executed, this loan will have to repaid on or before March 31, 2028. A simple interest at 12% p.a. will be charge on the outstanding balance during the year which may be reduced or waived of on the basis of mutual agreement between the parties without the approval of members.   | -                  |
| Indo Euro Indchem Limited                                  | There is no specific repayment schedule of this long term loan. However as per the agreement executed, this loan will have to repaid on or before March 31, 2028 which carries interest @ 0%.   | -                  |
| La Fin Financial Services Private Limited                  | There is no specific repayment schedule of this long term loan. However as per the agreement executed, this loan will have to repaid on or before March 31, 2028 which carries interest @ 0%.   | -                  |
| Prash Builders Private Limited                             | There is no specific repayment schedule of this long term loan. However as per the agreement executed, this loan will have to repaid on or before March 31, 2028. A simple interest at 6% p.a. will be charge on the outstanding balance during the year which may be reduced or waived of on the basis of mutual agreement between the parties without the approval of members.  | -                  |
| Sunil Equitrade Private Limited                            | There is no specific repayment schedule of this long term loan. However as per the agreement executed, this loan will have to repaid on or before March 31, 2028 which carries interest @ 0%.   | -                  |
| Sarang Bhand   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid after March 31, 2028, which carries interest @ 0%.  | -                  |
| Loan repayable on demand - Cash Credit from Bank of Baroda | Cash Credit taken from Bank of Baroda for working capital requirement.<br><b>Margin</b> : 25% of Stock and 40% on book debt up to 90 days.<br><b>Rate of Interest</b> : 6.00% over BRLLR + plus strategic premium.<br>Interest is payable with monthly rests and subject to change in credit rating of the account/Banks guidelines issued from time to time.<br><b>Security / Document</b> : (i) Exclusive 1st charge by the way of supplementary Hypothecations of entire Stock and Book Debts of group, both present and future; (ii) Irrevocable Power of Attorney for Books debts. | -                  |



Details of quarterly reporting done to lender :

| Name of Bank and Quarter        | Particulars of Securities Provided | Amount as per Books of Accounts (INR in Lakhs) | Amount as reported in quarterly return/state ment (INR in Lakhs) | Amount of Difference (INR in Lakhs) | Reason for Material discrepancies  |
|---------------------------------|------------------------------------|--|--|-------------------------------------|--|
| Bank of Baroda - June 2022      | Inventory                          | 123.21   | 123.21   | -                                   |  |
|                                 | Trade Receivable                   | 129.23   | 37.90  | 91.33                               | The amount given to bank does not include trade receivable more than 90 days.  |
|                                 | Trade Payable                      | 114.85   | 3.45   | 111.40                              | The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor  |
|                                 |                                    |  |  |                                     |  |
| Bank of Baroda - September 2022 | Inventory                          | 123.33   | 123.33   | -                                   |  |
|                                 | Trade Receivable                   | 84.56  | 20.92  | 63.63                               | The amount given to bank does not include trade receivable more than 90 days.  |
|                                 | Trade Payable                      | 112.93   | 6.27   | 106.66                              | The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor  |
|                                 |                                    |  |  |                                     |  |
| Bank of Baroda - December 2022  | Inventory                          | 127.62   | 127.62   | -                                   |  |
|                                 | Trade Receivable                   | 742.68   | 40.53  | 702.15                              | The amount given to bank does not include trade receivable more than 90 days.  |
|                                 | Trade Payable                      | 125.46   | 19.74  | 105.73                              | The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor  |
|                                 |                                    |  |  |                                     |  |
| Bank of Baroda - March 2023     | Inventory                          | 89.70  | 89.70  |                                     |  |
|                                 | Trade Receivable                   | 1,064.97                                       | 1,067.38   | (2.42)                              | The amount given to bank was based on the unaudited books of accounts.   |
|                                 | Trade Payable                      | 133.59   | 13.64  | 119.95                              | The amount given to bank does not include trade payable more than 90 days and also submitted to bank include O&M Creditor. |

iv) Following are the amounts due to Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars                                   | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2021 |
|---|------------------|------------------|------------------|
| Long term borrowing from Director (unsecured) |                  |                  |                  |
| Sarang Bhand                                  | 9.17             | -                | 0.05             |
| <b>Total</b>                                  | <b>9.17</b>      | <b>-</b>         | <b>0.05</b>      |

v) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



## Annexure IX - Restated Consolidated Statement of Other liabilities

(INR in lakhs)

| Particulars  | Current             |                     | As at<br>31/03/2021 | Long term           |                     | As at<br>31/03/2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2023 | As at<br>31/03/2022 |                     | As at<br>31/03/2023 | As at<br>31/03/2022 |                     |
| Secured Deposits*  | -                   | -                   | -                   | 291.75              | 291.75              | 291.75              |
| <b>Trade Advance</b>   |                     |                     |                     |                     |                     |                     |
| From related party   | 36.65               | 36.65               | 35.76               | -                   | -                   | -                   |
| From others  | -                   | 2,135.80            | 164.00              | 162.00              | 162                 | 907.82              |
| <b>Employee benefits payable</b>                                   | 113.86              | 166.23              | 249.68              | -                   | -                   | -                   |
| Statutory dues including provident fund and tax deducted at source | 261.84              | 75.27               | 187.95              | -                   | -                   | -                   |
| Sundry Creditors for Capital Goods**                               | 137.83              | 182.39              | 322.55              | -                   | -                   | -                   |
| Sundry Creditors for Expenses                                      | 311.30              | 317.6               | 297.37              | -                   | -                   | -                   |
| Advance to Customer  | 0.63                | -                   | 0.1                 | -                   | -                   | -                   |
| Payable for expenses   | 103.13              | 64.13               | 33.64               | -                   | -                   | -                   |
| Interest Accrued but not due on Term Loan                          | 1.54                |                     |                     | -                   |                     |                     |
| Other Payable  | 75.09               | 98.96               | 110.2               | -                   | -                   | -                   |
| <b>Total</b>   | <b>1,041.88</b>     | <b>3,077.02</b>     | <b>1,401.25</b>     | 453.75              | <b>453.75</b>       | <b>1,199.57</b>     |

\*Security deposit of INR 191.75 Lakhs has been taken from Blue Planet Yasasu Solutions Private Limited for Performance Bank Guarantee, Earnest money deposit and Tender deposit as per the terms of the contract.

\*Security deposit of INR 100.00 Lakhs has been taken from Blue Planet Environmental Solutions India Private Limited for Earnest money deposit for Kerala State Industrial Development Corporation Project.

\*\*Out of the total payable, INR 59.13 Lakhs is under dispute. Out of the total amount under dispute, INR 18.02 Lakhs is under arbitration at Mumbai which is at its final stage. The remaining amount of INR 41.11 Lakhs is under dispute under the MSME law at Pune and is at its initial stage.

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due to Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :



(INR in lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|--|---------------------|---------------------|---------------------|
| <b>Other Long term liabilities</b>                           |                     |                     |                     |
| Blue Planet Yasasu Solutions Private Limited                 | 191.75              | 191.75              | 191.75              |
| <b>Total</b>   | <b>191.75</b>       | <b>191.75</b>       | <b>191.75</b>       |
| <b>Other Current liabilities</b>                             |                     |                     |                     |
| Blue Planet Yasasu Solutions Private Limited - Trade Advance | 36.65               | 36.65               | 35.76               |
| Sarang Bhand - Employee Benefits payable                     | 1.38                | 2.63                | 6.07                |
| Yashas Bhand - Employee Benefits payable                     | 2.10                | 2.59                | 3.88                |
| Suhas Bhand - Employee Benefits payable                      | 0.28                | 6.33                | 6.55                |
| Zinal Shah - Employee Benefits payable                       | 0.16                | 0.16                | -                   |
| Jigar Gudka - Employee Benefits payable                      | 0.42                |                     |                     |
| Sarang Bhand - Payable for expenses                          | 3.05                |                     |                     |
| Suhas Bhand - Payable for expenses                           | 2.26                |                     |                     |
| Janaki Sarang Bhand - Sundry Creditors for Expenses          | 1.08                |                     |                     |
| <b>Total</b>   | <b>47.38</b>        | <b>48.35</b>        | <b>52.26</b>        |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



### Annexure X - Restated Consolidated Statement of Provisions

| Particulars                            | Short term          |                     | As at<br>31/03/2021 | Long term           |                     | As at<br>31/03/2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2023 | As at<br>31/03/2022 |                     | As at<br>31/03/2023 | As at<br>31/03/2022 |                     |
| <b>Provision for employee benefits</b> |                     |                     |                     |                     |                     |                     |
| Provision for gratuity                 | 3.49                | 3.52                | 3.35                | 48.01               | 43.4                | 39.56               |
| <b>Total</b>                           | <b>3.49</b>         | <b>3.52</b>         | <b>3.35</b>         | <b>48.01</b>        | <b>43.4</b>         | <b>39.56</b>        |

Notes :

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



### Annexure XI - Restated Consolidated Statement of Trade payables

(INR in lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|--|---------------------|---------------------|---------------------|
| Total outstanding dues of micro enterprises and small enterprises<br>(Refer ageing schedule below) | 733.69              | 739.42              | 667.20              |
| Total outstanding dues of creditors other than micro enterprises and<br>small enterprises          | 118.36              | 125.01              | 167.98              |
|  | 852.05              | <b>864.42</b>       | <b>835.18</b>       |

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Group is as under:

(INR in lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|---|---------------------|---------------------|---------------------|
| Principal amount due and remaining unpaid                                   | 733.69              | 739.42              | 667.20              |
| Interest accrued and due on above and the unpaid interest                   | 8.11                | 0.03                | 0.81                |
| Interest paid   | -                   | -                   | -                   |
| Payment made beyond the appointed day during the year                       | -                   | -                   | -                   |
| Interest due and payable for the period of delay                            | -                   | -                   | -                   |
| Interest accrued and remaining unpaid                                       | -                   | -                   | -                   |
| Amount of further interest remaining due and payable in succeeding<br>years | -                   | -                   | -                   |
|   | 741.80              | <b>739.45</b>       | <b>668.01</b>       |

Trade Payable ageing schedule as at March 31, 2023:

| Particulars           | Outstanding for following periods from due date of payment |           |           |                   | As at<br>31/03/2023 |
|-----------------------|--|-----------|-----------|-------------------|---------------------|
|                       | Less than 1 year   | 1-2 years | 2-3 years | more than 3 years |                     |
| MSME                  | 197.95   | 107.67    | 318.40    | 109.66            | 733.69              |
| Others                | 26.49  | 16.06     | 10.76     | 65.05             | 118.36              |
| Disputed dues- MSME   | -  | -         | -         | -                 | -                   |
| Disputed dues- Others | -  | -         | -         | -                 | -                   |
| <b>Total</b>          | 224.44   | 123.73    | 329.16    | 174.71            | 852.05              |

Trade Payable ageing schedule as at March 31, 2022:

| Particulars           | Outstanding for following periods from due date of payment |               |               |                   | As at<br>31/03/2022 |
|-----------------------|--|---------------|---------------|-------------------|---------------------|
|                       | Less than 1 year   | 1-2 years     | 2-3 years     | more than 3 years |                     |
| MSME                  | 294.1  | 318.4         | 103.24        | 23.68             | <b>739.42</b>       |
| Others                | 34.96  | 12.75         | 27.5          | 49.79             | <b>125.01</b>       |
| Disputed dues- MSME   | -  | -             | -             | -                 | -                   |
| Disputed dues- Others | -  | -             | -             | -                 | -                   |
| <b>Total</b>          | <b>329.06</b>  | <b>331.16</b> | <b>130.74</b> | <b>73.47</b>      | <b>864.42</b>       |

Trade Payable ageing schedule as at March 31, 2021:

| Particulars           | Outstanding for following periods from due date of payment |               |              |                   | As at<br>31/03/2021 |
|-----------------------|--|---------------|--------------|-------------------|---------------------|
|                       | Less than 1 year   | 1-2 years     | 2-3 years    | more than 3 years |                     |
| MSME                  | 436.6  | 202.38        | 28.22        | -                 | <b>667.2</b>        |
| Others                | 68.01  | 32.89         | 40.98        | 26.1              | <b>167.98</b>       |
| Disputed dues- MSME   | -  | -             | -            | -                 | -                   |
| Disputed dues- Others | -  | -             | -            | -                 | -                   |
| <b>Total</b>          | <b>504.61</b>  | <b>235.27</b> | <b>69.21</b> | <b>26.1</b>       | <b>835.18</b>       |





Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due to Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars                                  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|--|---------------------|---------------------|---------------------|
| <b>Trade Payable</b>                         |                     |                     |                     |
| Blue Planet Yasas Solutions Private Limited* | 718.46              | 739.42              | 667.20              |
|  | <b>718.46</b>       | <b>739.42</b>       | <b>667.20</b>       |

\*has ceased to be a related party with effect from July 14, 2023

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



**Annexure XII - Restated Consolidated Statement of Property, Plant & Equipment and Intangible assets**

(INR in lakhs)

| Particulars                      | Property, Plant & Equipment |                 |              |              |                  |                     | Total Property, plant & equipment | Intangible Assets      |              | Total Intangible Assets |
|----------------------------------|-----------------------------|-----------------|--------------|--------------|------------------|---------------------|-----------------------------------|------------------------|--------------|-------------------------|
|                                  | Furniture & Fixtures        | Building        | Computers    | Vehicles     | Office Equipment | Plant and Machinery |                                   | Technology Development | Software     |                         |
| <b>At March 31, 2020</b>         | <b>103.32</b>               | <b>2,000.55</b> | <b>22.49</b> | <b>65.99</b> | <b>37.77</b>     | <b>8,592.91</b>     | <b>10,823.02</b>                  | <b>60.99</b>           | <b>16.33</b> | <b>77.32</b>            |
| Addition                         | -                           | -               | 0.8          | -            | 2.06             | 48.21               | 51.08                             | -                      | 0.38         | 0.38                    |
| Disposals                        | -                           | -               | -            | -            | -                | -                   | -                                 | -                      | -            | -                       |
| <b>At March 31, 2021</b>         | <b>103.32</b>               | <b>2,000.55</b> | <b>23.29</b> | <b>65.99</b> | <b>39.83</b>     | <b>8,641.12</b>     | <b>10,874.10</b>                  | <b>60.99</b>           | <b>16.71</b> | <b>77.7</b>             |
| Addition                         | 0.22                        | -               | 2.37         | 25.62        | 3.16             | 168.66              | 200.03                            | -                      | 0.75         | 0.75                    |
| Disposals                        | -37.7                       | -               | -10.25       | -33.81       | -16.69           | -                   | -98.45                            | -                      | -13.51       | -13.51                  |
| <b>At March 31, 2022</b>         | <b>65.83</b>                | <b>2,000.55</b> | <b>15.42</b> | <b>57.79</b> | <b>26.3</b>      | <b>8,809.78</b>     | <b>10,975.68</b>                  | <b>60.99</b>           | <b>3.95</b>  | <b>64.94</b>            |
| Addition                         | 1.78                        | 18.78           | 2.05         | 6.61         | 1.79             | 106.34              | 137.34                            | -                      | 0.24         | 0.24                    |
| Disposals                        | -                           | -               | -            | (2.37)       | -                | -                   | (2.37)                            | -                      | -            | -                       |
| <b>At March 31, 2023</b>         | <b>67.61</b>                | <b>2,019.33</b> | <b>17.46</b> | <b>62.03</b> | <b>28.09</b>     | <b>8,916.13</b>     | <b>11,110.65</b>                  | <b>60.99</b>           | <b>4.19</b>  | <b>65.18</b>            |
| <b>Depreciation/Amortisation</b> |                             |                 |              |              |                  |                     |                                   |                        |              |                         |
| <b>At March 31, 2020</b>         | <b>53.97</b>                | <b>760.61</b>   | <b>22.09</b> | <b>47.68</b> | <b>31.24</b>     | <b>2,575.85</b>     | <b>3,491.45</b>                   | <b>42.39</b>           | <b>14.54</b> | <b>56.94</b>            |
| Charge for the Year              | 12.78                       | 119.38          | 0.08         | 5.85         | 2.85             | 496.71              | 637.65                            | 6.1                    | 0.94         | 7.04                    |
| Disposals                        | -                           | -               | -            | -            | -                | -                   | -                                 | -                      | -            | -                       |
| <b>At March 31, 2021</b>         | <b>66.75</b>                | <b>879.99</b>   | <b>22.18</b> | <b>53.52</b> | <b>34.09</b>     | <b>3,072.56</b>     | <b>4,129.10</b>                   | <b>48.49</b>           | <b>15.49</b> | <b>63.98</b>            |
| Charge for the Year              | 9.5                         | 107.89          | 1.04         | 4.73         | 2.61             | 463.12              | 588.89                            | 6.1                    | 1            | 7.1                     |
| Disposals                        | -37.7                       | -               | -10.25       | -30.2        | -16.69           | -                   | -94.84                            | -                      | -13.51       | -13.51                  |
| <b>At March 31, 2022</b>         | <b>38.55</b>                | <b>987.88</b>   | <b>12.97</b> | <b>28.06</b> | <b>20.01</b>     | <b>3,535.69</b>     | <b>4,623.15</b>                   | <b>54.59</b>           | <b>2.97</b>  | <b>57.57</b>            |
| Charge for the Year              | 7.09                        | 97.91           | 1.85         | 10.51        | 3.17             | 440.79              | 561.34                            | 6.10                   | 0.42         | 6.52                    |
| Disposals                        | -                           | -               | -            | (2.25)       | -                | -                   | (2.25)                            | -                      | -            | -                       |
| <b>At March 31, 2023</b>         | <b>45.64</b>                | <b>1,085.79</b> | <b>14.82</b> | <b>36.32</b> | <b>23.18</b>     | <b>3,976.48</b>     | <b>5,182.24</b>                   | <b>60.69</b>           | <b>3.39</b>  | <b>64.08</b>            |
| <b>Net Book Value</b>            |                             |                 |              |              |                  |                     |                                   |                        |              |                         |
| <b>At March 31, 2021</b>         | <b>36.57</b>                | <b>1,120.56</b> | <b>1.11</b>  | <b>12.46</b> | <b>5.74</b>      | <b>5,568.56</b>     | <b>6,745.00</b>                   | <b>12.5</b>            | <b>1.22</b>  | <b>13.72</b>            |
| <b>At March 31, 2022</b>         | <b>27.29</b>                | <b>1,012.67</b> | <b>2.45</b>  | <b>29.74</b> | <b>6.29</b>      | <b>5,274.10</b>     | <b>6,352.53</b>                   | <b>6.4</b>             | <b>0.97</b>  | <b>7.37</b>             |
| <b>At March 31, 2023</b>         | <b>21.97</b>                | <b>933.54</b>   | <b>2.64</b>  | <b>25.71</b> | <b>4.91</b>      | <b>4,939.65</b>     | <b>5,928.41</b>                   | <b>0.30</b>            | <b>0.79</b>  | <b>1.09</b>             |



Notes :

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

Annexure XII - Restated Consolidated Statement of Capital Work In Progress

| Particulars                    | INR in lakhs |
|--------------------------------|--------------|
| Gross Value                    |              |
| <b>At March 31, 2020</b>       | <b>13.98</b> |
| Addition                       | -            |
| Disposals                      | -            |
| <b>At March 31, 2021</b>       | <b>13.98</b> |
| Addition                       | -            |
| Disposals                      | -            |
| <b>At March 31, 2022</b>       | <b>13.98</b> |
| Addition                       | -            |
| Disposals                      | -            |
| <b>At March 31, 2023</b>       | <b>13.98</b> |
|                                |              |
| <b>Depreciation/Impairment</b> |              |
| <b>At March 31, 2020</b>       | -            |
| Addition                       | -            |
| Disposals                      | -            |
| <b>At March 31, 2021</b>       | -            |
| Addition                       | -            |
| Disposals                      | -            |
| <b>At March 31, 2022</b>       | -            |
| Addition                       | -            |
| Disposals                      | -            |
| <b>At March 31, 2023</b>       | -            |
|                                |              |
| <b>Net Carrying Value</b>      |              |
| <b>At March 31, 2021</b>       | <b>13.98</b> |
| <b>At March 31, 2022</b>       | <b>13.98</b> |
| <b>At March 31, 2023</b>       | <b>13.98</b> |

For Capital-work-in progress, following ageing schedule shall be given:

(INR in lakhs)

| Capital work-in-progress       | Amount of CWIP for a period of |           |           |                   | Total        |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | more than 3 years |              |
| Projects temporarily suspended | -                              | -         | -         | 13.98             | <b>13.98</b> |

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

(INR in lakhs)

| Capital work-in-progress | To be completed in |           |           |                   |
|--------------------------|--------------------|-----------|-----------|-------------------|
|                          | Less than 1 year   | 1-2 years | 2-3 years | more than 3 years |
| Project 1                | -                  | -         | -         | 13.98             |

Notes

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in



Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

#### Annexure XII - Restated Consolidated Statement of Intangible Asset Under Development

| Particulars                    | INR in lakhs    |
|--------------------------------|-----------------|
| Gross Value                    |                 |
| <b>At March 31, 2020</b>       | -               |
| Addition                       | 293.09          |
| Disposals                      | -               |
| <b>At March 31, 2021</b>       | <b>293.09</b>   |
| Addition                       | 311.43          |
| Disposals                      | -               |
| <b>At March 31, 2022</b>       | <b>604.52</b>   |
| Addition                       | 410.77          |
| Disposals                      | -               |
| <b>At March 31, 2023</b>       | <b>1,015.29</b> |
| <b>Depreciation/Impairment</b> |                 |
| <b>At March 31, 2020</b>       | -               |
| Addition                       | -               |
| Disposals                      | -               |
| <b>At March 31, 2021</b>       | -               |
| Addition                       | -               |
| Disposals                      | -               |
| <b>At March 31, 2022</b>       | -               |
| Addition                       | -               |
| Disposals                      | -               |
| <b>At March 31, 2023</b>       | -               |
| <b>Net Carrying Value</b>      |                 |
| <b>At March 31, 2021</b>       | <b>293.09</b>   |
| <b>At March 31, 2022</b>       | <b>604.52</b>   |
| <b>At March 31, 2023</b>       | <b>1,015.29</b> |

Intangible Assets under Development aging schedule :

(INR in lakhs)

| Intangible Assets under Development | Amount of CWIP for a period of |           |           |                   | Total    |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                     | Less than 1 year               | 1-2 years | 2-3 years | more than 3 years |          |
| Project in progress                 | 410.77                         | 311.43    | 293.09    | -                 | 1,015.29 |

Above cost for the year ended March 31, 2023 amounting to INR 410.77 Lakhs comprise of Direct Cost INR 33.35 Lakhs, Salary INR 304.02 Lakhs, Professional Fees INR 1.37 Lakhs and Depreciation 72.03 Lakhs (Financial Year for the period April 1, 2021 to March 31, 2022 amounting to INR 311.43 Lakhs comprise of Salary Cost and Financial Year for the period April 1, 2020 to March 31, 2021 amounting to INR 293.09 Lakhs comprise of Salary Cost) have been incurred for development of Marut Drum, Phosphate Rich Organic Manure (PROM), Activated Carbon and In-vessel composting, Sugar King/Sugarcane Plus-Products, Co-digestion of Agri residue and other feedstock/ HRT Reactor / Pre-treatment of mixed biomass or waste, H<sub>2</sub>S and Moisture scrubber Technology and Biochar to Brick/tiles application.

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

#### Annexure XIII - Restated Consolidated Statement of Goodwill on Consolidation

| Goodwill on consolidation     | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|-------------------------------|---------------------|---------------------|---------------------|
| Goodwill on consolidation     | 93.81               | 104.85              | 104.85              |
| Less : Impairment of Goodwill | -                   | -11.04              | -                   |
|                               | <b>93.81</b>        | <b>93.81</b>        | <b>104.85</b>       |



Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



#### Annexure XIV - Restated Consolidated Statement of Non - current Investments

| Non-current investments  | No. of shares | As at 31/03/2023 | No. of shares | As at 31/03/2022 | No. of shares | As at 31/03/2021 |
|--|---------------|------------------|---------------|------------------|---------------|------------------|
| <b>Trade Investments - Unquoted (Valued At Cost Unless Stated Otherwise)</b> |               |                  |               |                  |               |                  |
| <b>Investment in equity instrument</b>                                       |               |                  |               |                  |               |                  |
| <b>Investment in Associates :</b>  |               |                  |               |                  |               |                  |
| Blue Planet Kannur Waste Solution Private Limited                            | 2,600         | -                | 2,600         | 0.38             | 2,600         | 0.26             |
| Add/(Less): Group's Share of Profits / (Losses)                              |               | -                |               | -0.38            |               | 0.12             |
|  |               | -                |               | -                |               | <b>0.38</b>      |
| Blue Planet Palakkad Waste Solution Private Limited                          | 2,600         | -                | 2,600         | -                | 2,600         | 0.26             |
| Add/(Less): Group's Share of Profits / (Losses)                              |               | -                |               | -                |               | -0.26            |
|  |               | -                |               | -                |               | -                |
| <b>(A)</b>   |               | -                |               | -                |               | <b>0.38</b>      |
| <b>Investment in Others :</b>  |               |                  |               |                  |               |                  |
| Five Elements Environment Ventures Private Limited                           | 1,000         | 0.1              | 1,000         | 0.1              | 1,000         | 0.1              |
| <b>(B)</b>   |               | <b>0.1</b>       |               | <b>0.1</b>       |               | <b>0.1</b>       |
| <b>Total (A+B)</b>   |               | <b>0.1</b>       |               | <b>0.1</b>       |               | <b>0.48</b>      |
| <b>Aggregate amount of</b>   |               |                  |               |                  |               |                  |
| Quoted Investments   |               |                  |               |                  |               |                  |
| Market value of Quoted Investments   |               |                  |               |                  |               |                  |
| Unquoted Investments   |               | 0.1              |               | 0.1              |               | 0.48             |

#### Notes

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



### Annexure XV - Restated Consolidated Statement of Deferred Tax Assets

| Deferred Tax Assets (Net)   | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|---|---------------------|---------------------|---------------------|
| <b>Deferred tax liability</b>   |                     |                     |                     |
| Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting        | 1,055.93            | 1119.28             | 1174.37             |
| Gross deferred tax liability (B)  | 1,055.93            | <b>1119.28</b>      | <b>1174.37</b>      |
| <b>Deferred tax assets</b>  |                     |                     |                     |
| <b>Property, Plant and Equipment : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting</b> | 8.39                |                     |                     |
| Provision for employee benefit expenses   | 13.21               | 11.93               | 7.34                |
| Disallowance of Expenses on which TDS not deducted  | 2.74                | 2.39                | -                   |
| Disallowance of Expenditure under Section 43B   | -                   | -                   | 3.9                 |
| On unabsorbed depreciation and business loss  | 3,297.10            | 3,381.99            | 3,416.29            |
| <b>Gross deferred tax assets (A)</b>  | 3,321.44            | <b>3,396.32</b>     | <b>3,427.53</b>     |
| <b>Net deferred tax Assets (A-B)</b>  | 2,265.51            | <b>2,277.03</b>     | <b>2,253.16</b>     |
| <b>Deferred Tax Assets (refer note below)</b>   | 730.82              | <b>748.55</b>       | <b>748.55</b>       |

According to the Accounting Standard AS-22, deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Due to huge accumulated losses, the Group has not recognised deferred tax assets during the period.

#### Notes

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



## Annexure XVI - Restated Consolidated Statement of Loans and Advances

(INR in lakhs)

| Loans and Advances                    | Short term          |                     | As at<br>31/03/2021 | Long term           |                     | As at<br>31/03/2021 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | As at<br>31/03/2023 | As at<br>31/03/2022 |                     | As at<br>31/03/2023 | As at<br>31/03/2022 |                     |
| <b>Capital Advances</b>               |                     |                     |                     |                     |                     |                     |
| Advance for land purchase             | -                   | -                   | -                   | -                   | -                   | 22                  |
| <b>Other Loans &amp; Advances</b>     | 5.64                |                     |                     | -                   |                     |                     |
| Advance to Employees for Expenses     | -                   | 4.93                | 13.33               | -                   | -                   | -                   |
| Advance Against Salary                | 53.89               | -                   | 0.47                | -                   | -                   | -                   |
| Advance to vendors                    | -                   | 31.78               | 54.7                | 0.05                | -                   | -                   |
| Capital Advances                      | -                   | -                   | -                   | 4.96                | 55.73               | 31.75               |
| Balance with Government Authorities * | 61.24               | 171.59              | 163.24              | 11.03               | 23.87               | 49.07               |
| Loan to Employee                      | 4.04                | 0.36                | 0.52                | -                   | -                   | -                   |
| Prepaid expenses                      | 6.58                | 8.42                | 7.05                | -                   | -                   | -                   |
| <b>Total</b>                          | 131.39              | <b>217.08</b>       | <b>239.3</b>        | 16.04               | <b>79.6</b>         | <b>102.82</b>       |

\* Balance with Government Authorities includes VAT Refund amounting to INR 23.15 Lakhs. The assessment order has been passed by VAT authorities in the month of June 2022.

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due from Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|---|---------------------|---------------------|---------------------|
| <b>Short term loans and Advances</b>  |                     |                     |                     |
| Zinal Shah - Advance to Vendors   | -                   | 0.04                | -                   |
| Sarang Bhand - Advance to Employee for Expenses   | 3.50                | 3.50                | 3.50                |
|   | <b>3.50</b>         | <b>3.54</b>         | <b>3.50</b>         |
| <b>Long term loans and Advances</b>   |                     |                     |                     |
| Five Elements Environment Ventures Private Limited - Loans and advance to related parties | <b>4.96</b>         | -                   | -                   |
| <b>Total</b>  | <b>8.46</b>         | <b>3.54</b>         | <b>3.50</b>         |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.





## Annexure XVII - Restated Consolidated Statement of Other Assets

(INR in lakhs)

| Other Assets  | Current             |                     | As at<br>31/03/2021 | Non-current         |                     | As at<br>31/03/2021 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31/03/2023 | As at<br>31/03/2022 |                     | As at<br>31/03/2023 | As at<br>31/03/2022 |                     |
| Security Deposits   | -                   | -                   | -                   | 35.68               | 32.54               | 32.05               |
| Earnest Money Deposit                                     | -                   | -                   | -                   | 113.00              | 139.65              | 104.75              |
| Term Deposit with bank with maturity more than 12 months* | -                   | -                   | -                   | 118.04              | 175.75              | 175.75              |
| Tender deposits   | -                   | -                   | -                   | 15.00               | 15                  | 15.25               |
| Margin Money for Bank Guarantee- for MPCB                 | -                   | -                   | -                   | 2.25                | 2.25                | 2.25                |
| TDS Reimbursable from Bajaj Finance                       | 0.12                | 0.19                | 0.02                | -                   | -                   | -                   |
| Unbilled revenue**  | 432.00              |                     |                     | -                   |                     |                     |
| Interest accrued but not due on term deposits             | 0.76                | 0.04                | -                   | 26.78               | 40.1                | 29.72               |
| Other assets***   | 15.45               |                     |                     | -                   |                     |                     |
| <b>Total</b>  | <b>448.33</b>       | <b>0.23</b>         | <b>0.02</b>         | <b>310.75</b>       | <b>405.29</b>       | <b>359.76</b>       |

Notes :

\* The term deposits are given to various customers as a performance guarantees.

\*\*The Holding Company had received an EPC Contract from Blue Planet Palakkad Waste Solutions Private Limited for the 200 TPD waste-to-energy plant for processing of solid waste located at Kanjikode in Palakkad district, Kerala ("Palakkad Project"). However, the parties to the contract have decided to foreclose the contract due to significant delay at the regulators end to allot land for the aforesaid projects and grant the related approvals. As per the terms of the framework agreement dated December 31, 2022, Blue Planet Palakkad Waste Solutions Private Limited has agreed to pay the Holding company a sum of INR 1,000 Lakhs for payments towards detailed engineering works and other consultancy services provided by the Holding company as per the EPC Contract. Out of INR 1,000 Lakhs, the Company has already billed INR 600 Lakhs during the year.

\*\*\*This included expenses incurred primarily for upcoming Initial Public Offering

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due from Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|--|---------------------|---------------------|---------------------|
| Other Current Assets   |                     |                     |                     |
| Unbilled Revenue - Blue Planet Palakkad Waste Solution Private Limited | 432.00              | -                   | -                   |
|  | 432.00              | -                   | -                   |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



### Annexure XVIII - Restated Consolidated Statement of Inventories

(INR in lakhs)

| Inventories       | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2021 |
|-------------------|---------------------|---------------------|---------------------|
| Work in progress  | 51.60               | 85.6                | 71.1                |
| Finished goods    | 15.66               | 9.66                | 7.31                |
| Stores and spares | 22.44               | 25.1                | 28.35               |
| <b>Total</b>      | 89.70               | <b>120.36</b>       | <b>106.76</b>       |

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



### Annexure XIX - Restated Consolidated Statement of Trade receivables

(INR in lakhs)

| Trade receivables                | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2021 |
|----------------------------------|------------------|------------------|------------------|
| Unsecured considered good        | 3,128.40         | 1,998.93         | 1,452.19         |
| Doubtful                         | 74.16            | 74.16            | -                |
| (-) Provision for doubtful debts | -74.16           | -74.16           | -                |
| <b>Total</b>                     | <b>3,128.40</b>  | <b>1,998.93</b>  | <b>1,452.19</b>  |

Trade Receivables ageing schedule as at March 31, 2023:

(INR in lakhs)

| Particulars                                       | Outstanding for following periods from due date of payment |                  |               |               |                   | As at 31/03/2023 |
|---|--|------------------|---------------|---------------|-------------------|------------------|
|   | Less than 6 months   | 6 months- 1 year | 1-2 years     | 2-3 years     | more than 3 years |                  |
| Undisputed Trade receivables- considered good     | 1,417.82   | 158.90           | 137.56        | 0.82          | 0.73              | 1,715.81         |
| Undisputed Trade receivables- considered doubtful | -  | -                | -             | -             | -                 | -                |
| Disputed Trade receivables- considered good*      | -  | 138.58           | 556.08        | 539.90        | 178.02            | 1,412.59         |
| Disputed Trade receivables- considered doubtful   | -  | -                | -             | 43.78         | 30.39             | 74.16            |
| (-) Provision for doubtful debts                  | -  | -                | -             | (43.78)       | (30.39)           | (74.16)          |
| <b>Total</b>                                      | <b>1,417.82</b>  | <b>297.48</b>    | <b>693.64</b> | <b>540.71</b> | <b>178.75</b>     | <b>3,128.40</b>  |

Trade Receivables ageing schedule as at March 31, 2022:

(INR in lakhs)

| Particulars                                       | Outstanding for following periods from due date of payment |                  |               |              |                   | As at 31/03/2022 |
|---|--|------------------|---------------|--------------|-------------------|------------------|
|   | Less than 6 months   | 6 months- 1 year | 1-2 years     | 2-3 years    | more than 3 years |                  |
| Undisputed Trade receivables- considered good     | 627.4  | 49.01            | 5.64          | -            | -                 | 682.04           |
| Undisputed Trade receivables- considered doubtful | -  | -                | -             | -            | -                 | -                |
| Disputed Trade receivables- considered good*      | 209.88   | 389.09           | 539.9         | 131.8        | 46.23             | 1,316.89         |
| Disputed Trade receivables- considered doubtful   | -  | -                | 43.78         | 18.83        | 11.56             | 74.17            |
| (-) Provision for doubtful debts                  | -  | -                | -43.78        | -18.83       | -11.56            | -74.17           |
| <b>Total</b>                                      | <b>837.28</b>  | <b>438.1</b>     | <b>545.54</b> | <b>131.8</b> | <b>46.23</b>      | <b>1,998.93</b>  |

Trade Receivables ageing schedule as at March 31, 2021:

(INR in lakhs)

| Particulars                                       | Outstanding for following periods from due date of payment |                  |               |              |                   | As at 31/03/2021 |
|---|--|------------------|---------------|--------------|-------------------|------------------|
|   | Less than 6 months   | 6 months- 1 year | 1-2 years     | 2-3 years    | more than 3 years |                  |
| Undisputed Trade receivables- considered good     | 905.88   | 127.95           | 306.55        | 70.29        | 41.52             | 1,452.19         |
| Undisputed Trade receivables- considered doubtful | -  | -                | -             | -            | -                 | -                |
| Disputed Trade receivables- considered good*      | -  | -                | -             | -            | -                 | -                |
| Disputed Trade receivables- considered doubtful   | -  | -                | -             | -            | -                 | -                |
| (-) Provision for doubtful debts                  | -  | -                | -             | -            | -                 | -                |
| <b>Total</b>                                      | <b>905.88</b>  | <b>127.95</b>    | <b>306.55</b> | <b>70.29</b> | <b>41.52</b>      | <b>1,452.19</b>  |

\* In respect of disputed trade receivable, the holding company has received an order dated June 30, 2022 from Municipal Corporation of Delhi whereby it has instructed its officer to terminate the contract given to the company and recover the



penalties. The holding Company has filed petitioner on June 30, 2022 with Hon'ble High Court Delhi to recover outstanding dues from Municipal Corporation of Delhi. Based on the expert advise the company is hopeful to recover the entire amount along with claim for cost escalation.

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due from Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| <b>Particulars</b>                                  | <b>As at<br/>31/03/2023</b> | <b>As at<br/>31/03/2022</b> | <b>As at<br/>31/03/2021</b> |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>Trade Receivable</b>                             |                             |                             |                             |
| Blue Planet Palakkad Waste Solution Private Limited | 225.56                      | 197.56                      | -                           |
|   | 225.56                      | <b>197.56</b>               | -                           |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



## Annexure XX - Restated Consolidated Statement of Cash and cash equivalents

(INR in lakhs)

| <b>Cash and Bank Balance</b>                                     | <b>As at<br/>31/03/2023</b> | <b>As at<br/>31/03/2022</b> | <b>As at<br/>31/03/2021</b> |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Cash and cash equivalents</b>                                 |                             |                             |                             |
| Cash on Hand   | 2.73                        | 3.05                        | 5.6                         |
| Bank Balances  |                             |                             |                             |
| - In current accounts  | 17.15                       | 20.84                       | 86.54                       |
| Term Deposit with bank with Original maturity less than 3 months | -                           | -                           | -                           |
| <b>(A)</b>   | <b>19.88</b>                | <b>23.89</b>                | <b>92.15</b>                |
| <b>Other Bank Balances</b>                                       |                             |                             |                             |
| Term Deposit with bank with maturity less than 12 months         | 3.10                        | 3.1                         | -                           |
| <b>(B)</b>   | <b>3.10</b>                 | <b>3.1</b>                  | <b>-</b>                    |
| <b>Total (A+B)</b>   | <b>22.98</b>                | <b>26.99</b>                | <b>92.15</b>                |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



## Annexure XXI - Restated Consolidated Statement of Revenue from operations

(INR in lakhs)

| Revenue from operations                      | For the Year<br>Ended<br>March 31, 2023 | For the Year Ended<br>March 31, 2022 | For the Year<br>Ended<br>March 31, 2021 |
|--|---|--------------------------------------|---|
| Contract revenue (Refer (i) and (ii) below)  | 1,126.66                                | 507.78                               | 515.39                                  |
| Revenue from Operation and Maintenance       | 33.28                                   | 373.83                               | 310.93                                  |
| Consultancy fees                             | 335.00                                  | 50.00                                | -                                       |
| Sale of Products                             | 362.56                                  | 525.14                               | 426.06                                  |
| Other Operating Income<br>Sale of Scrap      | 14.43                                   | 4.62                                 | -                                       |
| Technology License Fees ((Refer (iii) below) | 600.00                                  | -                                    | -                                       |
| <b>Total</b>                                 | <b>2,471.93</b>                         | <b>1,461.37</b>                      | <b>1,252.38</b>                         |
| <b>Details of Sale of Products</b>           |   |                                      |   |
| Compost                                      | 340.93                                  | 511.50                               | 420.17                                  |
| Electricity                                  | 21.62                                   | 13.64                                | 5.89                                    |
| <b>Total</b>                                 | <b>362.56</b>                           | <b>525.14</b>                        | <b>426.06</b>                           |

- (i) Includes INR 1,000 Lakhs for which the Holding Company had received an EPC Contract from Blue Planet Palakkad Waste Solutions Private Limited for the 200 TPD waste-to-energy plant for processing of solid waste located at Kanjikode in Palakkad district, Kerala (“Palakkad Project”). However, the parties to the contract have decided to foreclose the contract due to significant delay at the regulators end to allot land for the aforesaid projects and grant the related approvals. As per the terms of the framework agreement dated December 31, 2022, Blue Planet Palakkad Waste Solutions Private Limited has agreed to pay the Holding company a sum of INR 1,000 Lakhs for payments towards detailed engineering works and other consultancy services provided by the Holding company as per the EPC Contract.
- (ii) Includes uncertified revenue of INR 67.53 Lakhs as on March 31, 2023 which is subsequently certified by the client in the month of May 2023.
- (iii) Following are the amounts due from Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

Note 2:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



iii) Following are the amounts due from Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| <b>Particulars</b>                                  | <b>Year ended<br/>31/03/2023</b> | <b>Year ended<br/>31/03/2022</b> | <b>Year ended<br/>31/03/2021</b> |
|---|----------------------------------|----------------------------------|----------------------------------|
| <b>Revenue from operations</b>                      |                                  |                                  |                                  |
| Blue Planet Palakkad Waste Solution Private Limited | 1,000.00                         | 328.71                           | -                                |
| <b>Total</b>  | <b>1,000.00</b>                  | <b>328.71</b>                    | <b>-</b>                         |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



## Annexure XXII - Restated Consolidated Statement of Other income

(INR in lakhs)

| Other Income                  | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|-------------------------------|--------------------------|--------------------------|--------------------------|
| Interest Income :             |                          |                          |                          |
| - On Fixed Deposit            | 9.60                     | 10.92                    | 11.56                    |
| - On Others                   | 0.61                     | 0.61                     | 10.48                    |
| Profit on Sale of Asset       | 0.04                     | 7.7                      | -                        |
| Interest income on tax refund | 1.21                     |                          |                          |
| Sundry balance written back*  | 50.71                    | 276.07                   | 303.76                   |
| <b>Total</b>                  | <b>62.18</b>             | <b>295.3</b>             | <b>325.8</b>             |

\*Details of Sundry balance written back

(INR in lakhs)

| Particulars                 | Year ended<br>31/03/2022 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| Creditors for Expenses      | -                        | 150.38                   | 85.58                    |
| Trade Payable               | 2.25                     | -                        | 4.21                     |
| Forfeiture of Trade Advance | -                        | 79.4                     | 1.2                      |
| Inter-Corporate deposit     | -                        | -                        | 0.58                     |
| Statutory liabilities       | -                        | 0.09                     | 149.16                   |
| Other Payable               | 48.46                    | 46.15                    | 63.03                    |
| Borrowing                   | -                        | 0.05                     | -                        |
| <b>Total</b>                | <b>50.71</b>             | <b>276.07</b>            | <b>303.76</b>            |

Notes:

- i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.
- ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.





### Annexure XXIII - Restated Consolidated Statement of Direct expense

(INR in lakhs)

| Direct Expense                       | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
| Purchase                             | 60.20                    | 166.75                   | 332.56                   |
| Power and fuel                       | 136.78                   | 173.88                   | 154.38                   |
| Labour Charges                       | 64.77                    | 88.69                    | 108.3                    |
| Packing and Forwarding Charges       | 14.42                    | 19.34                    | 8.17                     |
| Plant and Machinery - Hiring Charges | 128.34                   | 126.04                   | 112.5                    |
| Transportation Charges               | 1.78                     | 5.11                     | 1.19                     |
| Loading and Unloading Charges        | 1.04                     | 1.49                     | 0.62                     |
| Testing and Laboratory Expenses      | 1.55                     | 3.89                     | 0.18                     |
| Water Charges                        | 0.29                     | 2.39                     | 3.54                     |
| Security charges                     | 53.16                    | 76.86                    | 39.37                    |
| Other Direct Cost                    | 12.05                    | 7.86                     | 0.26                     |
| Diesel Generator - Hiring Charges    | 1.45                     | 0.65                     | 2.52                     |
| Site cleaning charges                | 0.82                     | 4.36                     | 0.52                     |
| Repairs and maintenance              | 12.64                    | 9.96                     | 10.85                    |
| Sub-contracting charges              | 36.78                    |                          |                          |
| <b>Total</b>                         | <b>526.08</b>            | <b>687.25</b>            | <b>774.97</b>            |

#### Notes

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due to Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars                                  | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--|--------------------------|--------------------------|--------------------------|
| <b>Purchase</b>                              |                          |                          |                          |
| Blue Planet Yasas Solutions Private Limited* | 55.58                    | 166.75                   | 332.56                   |
| <b>Total</b>                                 | <b>55.58</b>             | <b>166.75</b>            | <b>332.56</b>            |

\* Has ceased to be a related party with effect from July 14, 2023

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



#### Annexure XXIV - Restated Consolidated Statement of (Increase)/Decrease in Inventories

(INR in lakhs)

| (Increase)/Decrease in Inventories             | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--|--------------------------|--------------------------|--------------------------|
| <b>Stock in process</b>                        |                          |                          |                          |
| Stock in process at the beginning of the year  | 85.60                    | 71.1                     | 89.52                    |
| Less : Stock in process at the end of the year | 51.60                    | 85.6                     | 71.1                     |
|  | 34.00                    | <b>-14.5</b>             | <b>18.42</b>             |
|  |                          |                          |                          |
| <b>Finished Goods</b>                          |                          |                          |                          |
| Finished goods at the beginning of the year    | 9.66                     | 7.31                     | 0.89                     |
| Less : Finished goods at the end of the year   | 15.66                    | 9.66                     | 7.31                     |
|  | (6.00)                   | <b>-2.35</b>             | <b>-6.43</b>             |
|  |                          |                          |                          |
| <b>Total</b>                                   | 28.00                    | <b>-16.85</b>            | <b>11.99</b>             |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



### Annexure XXV - Restated Consolidated Statement of Employee benefit expense

(INR in lakhs)

| Employee benefit expense                   | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--|--------------------------|--------------------------|--------------------------|
| Salaries, wages and bonus                  | 301.81                   | 221.29                   | 187.14                   |
| Contributions to provident and other funds | 27.73                    | 20.86                    | 18.41                    |
| Stipend                                    | 2.88                     | 4.64                     | 6.54                     |
| Recruitment expense                        | -                        | 3.27                     | 0.01                     |
| Staff Training Expenses                    | 0.01                     | 0.55                     | -                        |
| Gratuity                                   | 8.66                     | 13.21                    | 9.05                     |
| Staff welfare expenses                     | 17.98                    | 11.57                    | 6.55                     |
| <b>Total</b>                               | <b>359.06</b>            | <b>275.4</b>             | <b>227.7</b>             |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due to Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars                      | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|----------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Salaries, wages and bonus</b> |                          |                          |                          |
| Sarang Bhand                     | 32.87                    | 26.33                    | 25.7                     |
| Yashas Bhand                     | -                        | -                        | -                        |
| Suhas Bhand                      | -                        | -                        | -                        |
| Jigar Gudka                      | 24.53                    |                          |                          |
| Zinal Shah                       | 2.13                     | 0.35                     | -                        |
| <b>Total</b>                     | <b>59.53</b>             | <b>26.68</b>             | <b>25.7</b>              |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



#### Annexure XXVI - Restated Consolidated Statement of Depreciation and amortization

(INR in lakhs)

| Depreciation and amortization expense       | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|---|--------------------------|--------------------------|--------------------------|
| Depreciation on Property, Plant & Equipment | 489.31                   | 588.89                   | 637.65                   |
| Amortisation of intangible assets           | 6.52                     | 7.10                     | 7.04                     |
| <b>Total</b>                                | <b>495.82</b>            | <b>595.99</b>            | <b>644.69</b>            |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

#### Annexure XXVII - Restated Consolidated Statement of Finance cost

(INR in lakhs)

| Finance Costs           | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|-------------------------|--------------------------|--------------------------|--------------------------|
| Interest on loan        | 129.20                   | 101.32                   | 63.33                    |
| Interest on overdraft   | 47.72                    | 39.81                    | 52.32                    |
| Interest on cash credit | 9.80                     | 7.29                     | 11.41                    |
| Other borrowing cost    | 1.23                     | 4.32                     | 4.35                     |
| <b>Total</b>            | <b>187.95</b>            | <b>152.74</b>            | <b>131.42</b>            |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



## Annexure XXVIII - Restated Consolidated Statement of Other expense

(INR in lakhs)

| Other expense                             | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|---|--------------------------|--------------------------|--------------------------|
| Bank charges                              | 1.10                     | 1.4                      | 1.02                     |
| Rent                                      | 48.76                    | 28.61                    | 21.65                    |
| Rates and taxes                           | 52.28                    | 62.64                    | 17.10                    |
| Electricity expenses                      | 7.84                     | 4.46                     | 3.05                     |
| Insurance charges                         | 8.64                     | 7.44                     | 7.47                     |
| Interest on MSME                          | 8.11                     | 3.77                     | 5.48                     |
| Carriage Outward                          | 27.01                    | 31.73                    | 21.55                    |
| Selling and Distribution                  | 2.57                     | 0.62                     | 0.32                     |
| Repairs & Maintenance                     |                          |                          |                          |
| -Building                                 | 7.31                     | 0.54                     | 3.85                     |
| -Plant and Machinery                      | 8.17                     | 5.67                     | 0.25                     |
| Consumption of Stores and spares          | 39.01                    | 27.62                    | 14.22                    |
| Donation                                  | 0.38                     | 0.15                     | 0.25                     |
| Brokerage & Commission                    | 2.53                     | 0.14                     | -                        |
| Business promotion expenses               | 3.25                     | 7.14                     | 0.17                     |
| Legal and professional charges            | 128.27                   | 94.66                    | 60.92                    |
| Payment to auditor (Refer details below)* | 6.55                     | 4.5                      | 2.55                     |
| Travelling and conveyance expenses        | 33.91                    | 31.22                    | 9.74                     |
| Internet expenses                         | 2.43                     | 2.7                      | 2.12                     |
| Lodging and Boarding expenses             | 14.81                    | 13.27                    | 4.02                     |
| Communication cost                        | 2.82                     | 2.89                     | 2.88                     |
| Interest and penalties                    | 28.54                    | 9.39                     | 10.9                     |
| Office expenses                           | 19.12                    | 12.07                    | 7.09                     |
| Testing charges                           | 0.21                     | 2.25                     | 0.94                     |
| Telephone Expenses                        | 0.92                     | 0.82                     | 0.87                     |
| Bad debts and Balance written off**       | 2.02                     | 147.5                    | 34.73                    |
| Provision for doubtful debts              | -                        | 74.16                    | -                        |
| Impairment of Goodwill                    | -                        | 11.04                    | -                        |
| Miscellaneous expenses                    | 6.00                     | 5.34                     | 3.48                     |
| Listing Fees                              | 1.00                     |                          |                          |
| Director Sitting Fees                     | 1.80                     |                          |                          |
| ROC Fees                                  | 6.15                     | 3.08                     | 0.02                     |
| <b>Total</b>                              | <b>471.52</b>            | <b>596.78</b>            | <b>236.63</b>            |
| <b>* Payment to Auditors</b>              |                          |                          |                          |
| As Auditors:                              |                          |                          |                          |
| Audit Fees                                | 6.30                     | 4.5                      | 2.3                      |
| Certificate                               | 0.25                     |                          |                          |
| Tax matters                               | -                        | -                        | 0.25                     |
| <b>Total</b>                              | <b>6.55</b>              | <b>4.5</b>               | <b>2.55</b>              |

\*\*Details of Bad debts and balance written off

(INR in lakhs)

| Particulars                    | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--------------------------------|--------------------------|--------------------------|--------------------------|
| Trade Receivable               | -                        | 56.46                    | 0.1                      |
| Advances to vendors and others | 2.02                     | 81.73                    | 3.76                     |
| TDS Receivable                 | -                        | 2.05                     | 30.88                    |
| Deposits                       | -                        | 7.25                     | -                        |
| <b>Total</b>                   | <b>2.02</b>              | <b>147.50</b>            | <b>34.73</b>             |

Notes:



i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Profits and Losses of the Group.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

iii) Following are the amounts due to Directors / Promoters / Promoters Group / Relatives of Promoter / Relatives of Directors / Entities having significance influence / Subsidiaries / Key Managerial Personnel / Group Companies :

(INR in lakhs)

| Particulars                    | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--------------------------------|--------------------------|--------------------------|--------------------------|
| Legal and professional charges |                          |                          |                          |
| Sarang Bhand                   | 23.33                    | -                        | -                        |
| Suhas Bhand                    | 15.00                    | -                        | -                        |
| Janaki Sarang Bhand            | 1.20                     | -                        | -                        |
|                                |                          |                          |                          |
| Total                          | 39.53                    | -                        | -                        |

iv) List of persons / entities / classified as 'Promoters', 'Relatives of Promoters', 'Promoter Group' and 'Group Companies' has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



## XXIX. Contingent Liabilities & Commitments

(INR in lakhs)

| Extraordinary Item   | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|--|--------------------------|--------------------------|--------------------------|
| <b>Contingent Liabilities</b>  |                          |                          |                          |
| Service tax demand as per Show Cause Notice  | 307.18                   | 307.18                   | 307.18                   |
| Maharashtra Value Added Tax demand as per Show Cause Notice  | -                        | 24.27                    | 24.27                    |
| Performance Bank Guarantee   | 181.79                   | 239.5                    | 239.5                    |
| Income Tax Demand for FY 2019-20. The Company has filed online rectification request and its expects that the due rectification will be done by the department and no liability will arise.  | 404.28                   | 376.74                   | -                        |
| Bank of Baroda's Right to Recompense on restructure term loan - The rights to recompense may be excersied by Bank of Baroda from the second anniversary date of the implementation of restructured package, if it is revived and surplus cash is generated after meeting the repayment obligation under the restructure package. | 49.10                    | 49.1                     | -                        |
| Income Tax demand for FY 2014-15. The appeal has been filed and management expects that no liability will arise  | 411.68                   | 385.26                   | -                        |
| Income Tax demand for FY 2017-18. The appeal has been filed and management expects that no liability will arise  | 2.10                     | -                        | -                        |
| Bank Guarantee - Bank Gurantee is given by Bank of Baroda in favour of Maharashtra Pollution Control Board   | 10.00                    | 10                       | 10                       |
| TDS Default  | 0.24                     |                          |                          |
|  |                          |                          |                          |
| <b>Commitments</b>   |                          |                          |                          |
| Capital Commitments  | 124.62                   | 172.29                   |                          |

(a) The Company has paid the arrear towards Maharashtra Value Added Tax under the the Amensty Scheme and the demand has been withdrawn by the Dy. Commissioner as per the orders dated September 26, 2022.

## XXX. Related party disclosures

Names of related parties and related party relationship

Related parties under AS 18

|   |   |
|---|---|
| Key Management Personnel  | Sarang S. Bhand (Managing Director)                           |
|   | Yashas Bhand (Director and Chief Executive Officer)           |
|   | Janaki Sarang Bhand ( Director w.e.f September 01, 2022)      |
|   | Zinal Shah (Company Secretary w.e.f. February 01, 2022)       |
|   | Jigar Gudka (Chief Financial Officer w.e.f. October 01, 2022) |
| Relatives of Key Management Personnel                                     | Suhas Bhand (Relative of Director)                            |
|   | Smita Bhand (Relative of Director)                            |
| Associates  | Blue Planet Kannur Waste Solution Private Limited             |
|   | Blue Planet Palakkad Waste Solution Private Limited           |
| Entities in which Key Management Personnel exercise significant influence | Blue Planet Yasasu Solutions Private Limited*                 |
|   | Blue Planet Yasasu Process Engineers Private Limited*         |
|   | Five Elements Environment Ventures Private Limited            |
|   | Five Elements Research Foundation                             |

\* Has ceased to be related party with effect from July 14, 2023

i) Related Party transactions (including provisions and accruals)

(INR in lakhs)

| Name         | Relationship | Nature of Transaction                                       | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--------------|--------------|---|----------------|----------------|----------------|
| Sarang Bhand | Director     | Director Remuneration                                       | 32.87          | 26.33          | 25.70          |
|              |              | Director Remuneration capitalised as Technology development | 10.00          | 24.00          | 24.00          |
|              |              | Consultancy Charges   | 23.33          | -              | -              |
|              |              | Loan received   | 9.17           |                |                |



|  |   |   |          |        |        |
|--|---|---|----------|--------|--------|
|  |   | Loan Repayment  | -        | -      | -      |
| Yashas Bhand   | Director  | Director Remuneration                                       | -        | -      | -      |
|  |   | Director Remuneration capitalised as Technology development | 18.00    | 12.00  | 5.00   |
| Janki Sarang Bhand                                   | Director  | Director sitting fees                                       | 1.20     | -      | -      |
| Suhas Bhand  | Relative of Director  | Salary capitalised as Technology development                | 15.00    | 30.00  | 30.00  |
|  |   | Consultancy Charges   | 15.00    |        |        |
|  |   | Salary  |          |        |        |
| Five Elements Environment Ventures Private Limited   | Entities in which KMP have significant influence                          | Trade Deposit Given   |          | -      | -      |
|  |   | Loan Given  | 4.96     |        |        |
|  |   | Trade Deposit Repaid  |          | -      | -      |
| Blue Planet Yasasu Solutions Private Limited*        | Entities in which Key Management Personnel exercise significant influence | Purchase of material  | 55.58    | 166.75 | 332.56 |
|  |   | Security Deposit repaid                                     | -        | -      | 1.50   |
|  |   | Trade Advance received                                      | -        | 0.89   | 34.32  |
| Blue Planet Palakkad Waste Solutions Private Limited | Associate   | Investment in Equity Shares                                 |          | -      | 0.26   |
|  |   | Revenue from operation                                      | 1,000.00 | 328.71 | -      |
| Blue Planet Kannur Waste Solutions Private Limited   | Associate   | Investment in Equity Shares                                 | -        | -      | 0.26   |
| Jigar Gudka  | Chief Financial Officer   | Salary  | 24.53    |        |        |
| Zinal Mukund Shah                                    | Company Secretary   | Salary  | 2.13     | 0.35   | -      |

\* Has ceased to be related party with effect from July 14, 2023.

The remuneration to the key managerial personnel does not include the provisions made for gratuity as the same is determined on an accrual basis for the Company as a whole.

ii) Closing Balances of Related Parties (including provisions and accruals)

(INR in lakhs)

| Name of Related Party                              | Relationship  | Nature of Transaction           | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|--|---|---------------------------------|----------------------|----------------------|----------------------|
| Sarang Bhand                                       | Director  | Director Remuneration payable   | 1.38                 | 2.63                 | 6.07                 |
|  |   | Advance for Expenses Receivable | 3.50                 | 3.50                 | 3.50                 |
|  |   | Consultancy Charges payable     | 3.05                 | -                    | -                    |
|  |   | Unsecured loan outstanding      | 9.17                 | -                    | 0.05                 |
| Yashas Bhand                                       | Director  | Director Remuneration payable   | 2.10                 | 2.59                 | 3.88                 |
| Janaki Sarang Bhand                                | Director  | Director Sitting Fees           | 1.08                 | -                    | -                    |
| Suhas Bhand  | Relatives of Key Management Personnel                                   | Consultancy Charges payable     | 2.26                 | -                    | -                    |
|  |   | Salary payable                  | 0.28                 | 6.33                 | 6.55                 |
| Five Elements Environment Ventures Private Limited | Entity in which Key Management Personnel exercise significant influence | Investment in Equity Shares     | 0.10                 | 0.10                 | 0.10                 |
|  |   | Loan Receivable                 | 4.96                 | -                    | -                    |
| Blue Planet Yasasu Solutions Private Limited       | Entity in which Key Management Personnel exercise significant influence | Trade payable                   | 718.46               | 739.42               | 667.20               |
|  |   | Security Deposit Payable        | 191.75               | 191.75               | 191.75               |
|  |   | Trade Advance Payable           | 36.65                | 36.65                | 35.76                |





|   |  |                              |        |        |      |
|---|--|------------------------------|--------|--------|------|
| Blue Planet Palakkad Waste Solution Private Limited | Associate Company                                  | Trade Receivable             | 225.56 | 197.56 | -    |
|   |  | Unbilled Revenue             | 432.00 | -      | -    |
|   |  | Investment in Equity Shares  | 0.26   | 0.26   | 0.26 |
| Blue Planet Kannur Waste Solution Private Limited   | Associate Company                                  | Investment in Equity Shares  | 0.26   | 0.26   | 0.26 |
| Jigar Gudka   | Key Management Personnel - Chief Financial Officer | Salary payable               | 0.42   | -      | -    |
| Zinal Shah  | Key Management Personnel - Company Secretary       | Professional fees receivable | -      | 0.04   | -    |
|   |  | Salary payable               | 0.16   | 0.16   | -    |

### Annexure - XXXI: Restated Consolidated Statement of Accounting Ratios

| Particulars   |                 | For the Year Ended March 31, 2023 | For the Year Ended March 31, 2022 | For the Year Ended March 31, 2021 |
|---|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>A. Earning Per Share (EPS) - Basic and Diluted</b>   |                 |                                   |                                   |                                   |
| Restated Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (INR in Lakhs) |                 | 365.38                            | (535.03)                          | (449.37)                          |
| Net Profit / (Loss) for calculation of basic EPS (INR in Lakhs)                                 | A               | 365.38                            | (535.03)                          | (449.37)                          |
| Weighted average number of equity shares for calculating basic EPS                              | B               | 46,68,051                         | 41,38,750                         | 41,38,750                         |
| <b>EPS (in INR) - Basic</b>   | <b>A/B</b>      | <b>7.83</b>                       | <b>(12.93)</b>                    | <b>(10.86)</b>                    |
| Net Profit / (Loss) for calculation of diluted EPS (INR in Lakhs)                               | C               | 365.38                            | (535.03)                          | (449.37)                          |
| Weighted average number of equity shares  |                 | 46,68,051                         | 41,38,750                         | 41,38,750                         |
| Effect of dilution:   |                 |                                   |                                   |                                   |
| Optionally convertible preference shares  |                 | -                                 | 2,86,400                          | 2,86,400                          |
| <b>Weighted average number of equity shares for calculating diluted EPS</b>                     | <b>D</b>        | <b>46,68,051</b>                  | <b>44,25,150</b>                  | <b>44,25,150</b>                  |
| <b>Weighted Average number of Equity Shares (Pre Bonus)</b>                                     | <b>E</b>        | <b>5,43,051</b>                   | <b>3,00,150</b>                   | <b>3,00,150</b>                   |
| <b>EPS (in INR) - Diluted (Post Bonus)</b>  | <b>C/D</b>      | <b>7.83</b>                       | <b>(12.09)</b>                    | <b>(10.15)</b>                    |
| <b>EPS (in INR) - Diluted (Pre Bonus)</b>   | <b>C/E</b>      | <b>67.28</b>                      | <b>(178.25)</b>                   | <b>(149.71)</b>                   |
| <b>B. Return on Net Worth</b>   |                 |                                   |                                   |                                   |
| Restated Profit / (Loss) for the periods (INR in Lakhs)   | F               | 365.38                            | (535.03)                          | (449.37)                          |
| Net worth at the end of the periods (INR in Lakhs)  | G               | 2,550.07                          | 808.86                            | 1,343.88                          |
| <b>Return on Net Worth (%)</b>  | <b>F/G* 100</b> | <b>14.33%</b>                     | <b>-66.15%</b>                    | <b>-33.44%</b>                    |
| <b>C. Net Asset Value Per Equity Share</b>  |                 |                                   |                                   |                                   |
| Net worth at the end of the periods (INR in Lakhs)  | H               | 2,550.07                          | 808.86                            | 1,343.88                          |
| Number of equity shares outstanding at the end of the periods (Pre Bonus)                       | I               | 10,74,075                         | 13,750                            | 13,750                            |
| Number of equity shares outstanding at the end of the periods                                   | J               | 51,99,075                         | 13,750                            | 13,750                            |
| <b>Net Asset Value Per Equity Share (in INR) (Pre Bonus)</b>                                    | <b>H/I</b>      | <b>237.42</b>                     | <b>5,882.61</b>                   | <b>9,773.71</b>                   |
| <b>Net Asset Value Per Equity Share (in INR) (Post Bonus)</b>                                   | <b>H/J</b>      | <b>49.05</b>                      | <b>5,882.61</b>                   | <b>9,773.71</b>                   |

#### Notes

##### i) Formula

Basic Earnings per share (INR)

$$\frac{\text{Profit/Loss after tax (as restated) attributable to equity shareholders for the periods}}{\text{Weighted average number of equity shares}}$$



|  |   |
|--|---|
| Diluted Earnings per share (INR)       | $\frac{\text{Profit/Loss after tax (as restated) attributable to equity shareholders for the periods (after adjustments for diluted earnings)}}{\text{Weighted average number of equity shares}}$ |
| Return on net worth (%)                | $\frac{\text{Profit/Loss after tax (as restated) attributable to equity shareholders for the periods}}{\text{Net worth at the end of the periods}}$   |
| Net Asset Value per equity share (INR) | $\frac{\text{Net worth at the end of the periods}}{\text{Total number of equity shares outstanding at end of the periods}}$   |

ii) Net worth for ratios mentioned represents sum of paid up share capital, reserves and surplus (securities premium and surplus in the Statement of Profits and Losses).

iii) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Group.

iv) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.



## Annexure - XXXII : Consolidated Capitalisation Statement

(INR in lakhs)

| Particulars                                      | Pre-IPO as at 31/03/2023 | As adjusted for IPO * |
|--|--------------------------|-----------------------|
| <b>Borrowings</b>                                |                          |                       |
| Long-term borrowings                             |                          |                       |
| Non current portion                              | 6,703.71                 |                       |
| Current maturity of long term borrowings         | 183.47                   |                       |
| Sub Total (A)                                    | 6,887.18                 | 4,136.78              |
| Short-term borrowings (B)                        | 94.23                    | 94.23                 |
| <b>Total (C)=(A)+(B)</b>                         | <b>6,981.41</b>          | <b>4,231.01</b>       |
| <b>Shareholders' funds:</b>                      |                          |                       |
| Share Capital (D)                                | 535.67                   | 785.69                |
| Reserves & Surplus (E)                           | 2,014.40                 | 6,764.78              |
| <b>Total (F)=(D)+(E)</b>                         | <b>2,550.07</b>          | <b>7,550.47</b>       |
| <b>Debt / Equity ratio - (C) / (F)</b>           | <b>2.74</b>              | <b>0.56</b>           |
| <b>Long term Debt / Equity ratio - (A) / (F)</b> | <b>2.70</b>              | <b>0.55</b>           |

\* Company certified. The ratios are based on the pre-issue networth as on March 31, 2023 Rs. 2,550.07lakhs and adjusted for IPO proceeds as per the objects of the issue

### Notes

i) The pre-issue ratios has been computed on the basis of the Restated Consolidated Summary Statement of Assets and Liabilities as of March 31, 2023 on Consolidated basis.



### XXXIII. Gratuity

The following tables summarize the components of net benefit expense recognized in the Restated Consolidated Summary Statements of Profits and Losses and the funded status and amounts recognized in the Restated Consolidated Summary Statements of Assets and Liabilities for the plans.

#### a. Restated Consolidated Summary Statements of Profits and Losses

Net employee benefit expense recognized in the employee cost

(INR in lakhs)

| Particulars                             | Year ended 31/03/2022 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|---|-----------------------|-----------------------|-----------------------|
| Current service cost                    | 6.65                  | 6.02                  | 5.57                  |
| Interest cost on benefit obligation     | 3.38                  | 2.82                  | 2.65                  |
| Expected Gain on Plan Assets            | -                     | -                     | -                     |
| Past Service Cost                       | -                     | -                     | -                     |
| Net Actuarial Loss / (Gain)             | (1.38)                | 4.37                  | 0.84                  |
| Recognised Past Service Cost - Vested   | -                     | -                     | -                     |
| Recognised Past Service Cost - Unvested | -                     | -                     | -                     |
| <b>Net benefit expense</b>              | <b>8.66</b>           | <b>13.21</b>          | <b>9.05</b>           |

#### b. Restated Consolidated Summary Statements of Assets and Liabilities

(INR in lakhs)

| Particulars                   | Year ended 31/03/2023 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Net Defined Benefit Liability | 51.95                 | 46.92                 | 42.91                 |

#### c. Reconciliation of Net Liability

(INR in lakhs)

| Particulars  | Year ended 31/03/2023 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|--|-----------------------|-----------------------|-----------------------|
| Present Value of funded defined benefit obligation (i) | 51.95                 | 56.92                 | 42.91                 |
| Fair Value of Plan Assets(ii)                          | -                     | -                     | -                     |
| <b>Net benefit liability</b>                           | <b>51.95</b>          | <b>56.92</b>          | <b>42.91</b>          |

#### c (i) . Reconciliation of defined benefit obligation

(INR in lakhs)

| Particulars                        | Year ended 31/03/2023 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Opening Defined Benefit Obligation | 46.92                 | 42.91                 | 38.74                 |
| Transfer in / (out) obligation     | -                     | -                     | -                     |
| Current Service Cost               | 6.65                  | 6.02                  | 5.57                  |



|  |              |              |              |
|--|--------------|--------------|--------------|
| Interest cost on benefit obligation                | 3.38         | 2.82         | 2.65         |
| Actuarial Loss / (Gain)                            | (1.38)       | 4.37         | 0.84         |
| Past Service Cost                                  |              | -            | -            |
| Benefits paid                                      | (3.62)       | -9.2         | -4.89        |
| <b>Present Value of Defined Benefit Obligation</b> | <b>51.95</b> | <b>46.92</b> | <b>42.91</b> |

c (ii) . Reconciliation of plan assets

(INR in lakhs)

| Particulars                      | Year ended 31/03/2023 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|----------------------------------|-----------------------|-----------------------|-----------------------|
| Opening Value of Plan Assets     | -                     | -                     | -                     |
| Transfer in / (out) plan assets  | -                     | -                     | -                     |
| Expected Return                  | -                     | -                     | -                     |
| Actuarial Gain / (Loss)          | -                     | -                     | -                     |
| Contributions by employer        | -                     | -                     | -                     |
| Benefits paid                    | -                     | -                     | -                     |
| <b>Fair Value of Plan Assets</b> | <b>-</b>              | <b>-</b>              | <b>-</b>              |

d. Bifurcation of Current - Non Current Liability

(INR in lakhs)

| Particulars           | Year ended 31/03/2023 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|-----------------------|-----------------------|-----------------------|-----------------------|
| Current Liability     | 3.94                  | 3.52                  | 3.35                  |
| Non Current Liability | 48.01                 | 43.4                  | 39.56                 |
| <b>Total</b>          | <b>51.95</b>          | <b>46.92</b>          | <b>42.91</b>          |

e. Composition of Plan Assets

(INR in lakhs)

| Particulars         | Year ended 31/03/2023 | Year ended 31/03/2022 | Year ended 31/03/2021 |
|---------------------|-----------------------|-----------------------|-----------------------|
| Policy of Insurance | 0.00%                 | 0.00%                 | 0.00%                 |
| <b>Total</b>        | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          |

f. Principal Assumptions for determining Gratuity Plan

(INR in lakhs)

| Particulars                      | Year ended 31/03/2023                           | Year ended 31/03/2022                          | Year ended 31/03/2021                             |
|----------------------------------|---|--|---|
| Discount Rate                    | 7.31%   | 6.98%  | 6.44%   |
| Rate of Salary Increase          | 5.00%   | 5.00%  | 5.00%   |
| Attrition rate                   |   |  |   |
| For service 4 years and below    | 15.00% p.a.                                     | 15.00% p.a.                                    | 15.00% p.a.                                       |
| For service 5 years and above    | 5.00% p.a.                                      | 5.00% p.a.                                     | 5.00% p.a.  |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 Ultimate | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) Ultimate |
| Mortality Rate After Employment  | N.A.  | N.A.   | N.A.  |

The discount rate is based on the prevailing market yields of Government Securities as at the balance sheet date for the estimated terms of the obligations.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



#### XXXIV. Segment reporting

In accordance with the requirements of Accounting Standard 17 - "Segment Reporting", the Company has single reportable segment namely "Construction, Development and Maintenance of Waste-to-Energy projects, particularly in the Municipal Solid Waste sector. Hence AS-17 - "Segment Reporting" is not applicable.

#### XXXV. Registration of charges or satisfaction with Registrar of Companies

Following is the details of pending registration of charge with Registrar of Companies beyond the statutory period :

| Nature of Loan | Lender     | Due date for creation of charge | Reason for non creation  |
|----------------|------------|---------------------------------|--|
| Car Loan       | ICICI Bank | July 6, 2018                    | As per the common practice, charge on vehicle loan is created by the bank. The management was under impression that bank would have created the charge. However it is learnt that the bank failed to create charge as well as informed the management to create. Since the current outstanding is hardly INR 4.75 Lakhs and the same will be repaid in FY 2023-24. Hence no charge is created. |

#### XXXVI. Other Disclosures

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Wilful defaulter
- (d) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

#### XXXVII. Disclosure in accordance in Accounting Standard- 7 (Revised)

| Particulars   | April 01, 2022 to March 31, 2023 | April 01, 2021 to March 31, 2022 | April 01, 2020 to March 31, 2021 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Contract revenue recognised in an accounting period | 67.53                            | -                                | -                                |
| Aggregate amount of cost incurred till date         | 46.46                            | -                                | -                                |
| Aggregate amount of net profit recognised till date | 21.07                            | -                                | -                                |
| Advance received from customer                      | -                                | -                                | -                                |
| Amount of retentions                                | -                                | -                                | -                                |

#### XXXVIII. Previous period figures

Previous year figures have been regrouped / reclassified, where necessary to conform to this year's classification.



**RESTATED STANDALONE STATEMENT OF TAX SHELTER**

|          | <b>Particulars</b>   | <b>Year ended<br/>31/03/2023</b> | <b>Year ended<br/>31/03/2022</b> | <b>Year ended<br/>31/03/2021</b> |
|----------|--|----------------------------------|----------------------------------|----------------------------------|
| A        | Profit / (Loss) Before Tax - As Restated   | 572.42                           | 135.56                           | 246.00                           |
| B        | Income Tax Rate (%)  | 25.17%                           | 25.17%                           | 25.17%                           |
| C        | Minimum Alternative Tax Rate (%)   | 0.00%                            | 0.00%                            | 0.00%                            |
| <b>D</b> | <b>Permanent Differences</b>   |                                  |                                  |                                  |
|          | ROC fees for increase in Authorised Share Capital  | -                                | 19.13                            | -                                |
|          | Prior Period Adjustment  | -                                | -                                | -                                |
|          | Other expenses disallowed as per Income Tax Act, 1961                                    | 12.22                            | 3.17                             | 11.24                            |
|          | Interest on TDS  | 11.57                            | 0.53                             | 1.65                             |
|          | Interest on Late payment of ESIC   | -                                | -                                | -                                |
|          | Penal Interest on MLWF   | 0.00                             |                                  |                                  |
|          | Late filing fees for GST   | 0.05                             |                                  |                                  |
|          | Interest on Late payment of PF   | -                                | -                                | -                                |
|          | Employees contribution of PF paid after due date   | -                                | 2.40                             | 7.39                             |
|          | Employees contribution of ESIC paid after due date                                       | -                                | 0.03                             | 0.22                             |
|          | Employess Maharashtra Labour Welfare Fund contribution paid after prescribed date        | -                                | 0.00                             | 0.00                             |
|          | TDS Return Late Filling Fees U/s 234E  | -                                | -                                | 1.17                             |
|          | Interest on MSME Creditors outstanding   | 0.61                             | 0.03                             | 0.81                             |
|          | Interest and Penalty on Delayed Payment  | -                                | 0.18                             | -                                |
|          | <b>Total Permanent Differences</b>   | <b>12.22</b>                     | <b>22.30</b>                     | <b>11.24</b>                     |
| <b>E</b> | <b>Timing Difference</b>   |                                  |                                  |                                  |
|          | Difference between Tax Depreciation and Book Depreciation                                | 12.81                            | 10.06                            | 14.33                            |
|          | Depreciation as per book   | 25.96                            | 22.16                            | 25.20                            |
|          | Depreciation as per Tax  | 13.15                            | 12.11                            | 10.87                            |
|          | Provision for Gratuity   | 5.76                             | 11.40                            | 5.26                             |
|          | Gratuity Paid  | (2.23)                           | (8.63)                           | -                                |
|          | Other deductions disallowed / (Allowed) as per Income Tax Act, 1961                      | -2.86                            | 77.01                            | -457.68                          |
|          | Employer's contribution to PF after Due dates  | -                                | -                                | (1.32)                           |
|          | Employer's contribution to ESIC after Due dates  | -                                | -                                | (0.03)                           |
|          | Professional tax paid after Due dates  | -                                | -                                | (0.07)                           |
|          | Disallowances of expenditure u/s 40  | -2.86                            | 2.86                             | (456.26)                         |
|          | Provision for doubtful debts   | -                                | 74.16                            | -                                |
|          | Employer's contribution to any Employee welfare fund                                     | -                                | (0.01)                           | 0.01                             |
|          | <b>Total Timing Difference</b>   | <b>13.49</b>                     | <b>89.84</b>                     | <b>-438.08</b>                   |
| F        | Incomes considered separately  | -                                | -                                | -                                |
| <b>G</b> | <b>Net Adjustments (D+E)</b>   | <b>25.71</b>                     | <b>112.14</b>                    | <b>(426.85)</b>                  |
| H        | Set-off of Unabsorbed losses and depreciation  | 272.27                           | 247.70                           | -                                |
| I        | Taxable Income (A+G-H)   | 325.86                           | -                                | -                                |
| J        | Tax payable (H*B)  | 82.01                            | -                                | -                                |
| K        | Restatement Adjustment   | -                                | -                                | -                                |
| L        | Total Tax on Profits as per Restated Summary Statement of Profit and Losses              | 82.01                            | -                                | -                                |
|          | Book Profit  | -                                | -                                | -                                |
|          | Less: Unansorbed business lossess/Unabsorbed depreciation whichever is less as per books | -                                | -                                | -                                |
|          | Unansorbed business lossess  | -                                | -                                | -                                |
|          | Unabsorbed depreciation  | -                                | -                                | -                                |
|          | Net Book Profit  | -                                | -                                | -                                |
|          | MAT on Book Profit   | -                                | -                                | -                                |
|          | Tax paid as per normal or MAT  | -                                | -                                | -                                |
|          | Total Provision for tax  | -                                | -                                | -                                |



## FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Organic Recycling System Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on March 31, 2023 is mentioned here below.

### A. SECURED LOANS:

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

##### (a) Long-term borrowings

| Sr No | Lender         | Purpose   | Loan Currency | Loan Sanctioned Date | Amount sanctioned (in Lakhs) | Amount Outstanding as on March 31, 2023 (in lakhs) | Rate of interest ( p.a. ) | Repayment / Modification of Terms  | Security / Principal Terms and conditions   |
|-------|----------------|---|---------------|----------------------|------------------------------|--|---------------------------|--|---|
| 1     | ICICI Bank     | Car loan  | INR           | July 19, 2018        | 19.69                        | 2.09   | 8.75%                     | 'Repayable in 62 monthly instalment commencing from August 2018 along with interest at 8.75% p.a.  | Secured by hypothecation of the vehicle financed by bank.   |
| 2     | HDFC Bank      | Car loan  | INR           | February 10, 2022    | 25.17                        | 22.04  | 7.10%                     | Repayable in 84 monthly instalment commencing from March 2022 along with interest at 7.10% p.a.  | Secured by hypothecation of the vehicle financed by bank.   |
| 3     | Bank of Baroda | Purchase of Machineries, Equipments & other movable property, plant and equipment and civil work as per project report. | INR           | January 4, 2016      | 500.00                       | 292.65   | BRLLR + 2.25% spread p.a. | As per revised Sanction letter dated October 30, 2021, Repayable in 45 monthly instalment including moratorium period. Interest at BRLLR | Term loans are secured by :<br>- Hypothecation of Stock and Book Debts (Both Present and future).<br>- Hypothecation of Plant and Machineries.<br>- Equitable Mortgage of the Leasehold land and Building situated at Survey No. 68(1) (Old) & Survey No. 74/1 (New), Situating at Mouje Solapur, |





|   |                |   |     |               |       |       |                                    |  |  |
|---|----------------|---|-----|---------------|-------|-------|------------------------------------|--|--|
|   |                |   |     |               |       |       |                                    | + 2.25% spread p.a.  | <p>Tuljapur Road, Tahsil and District Solapur admeasuring area 09 Acres.</p> <p>-Cash margin on bank Gurantee limit.</p> <p>-Equitable Motgage on commercial Office premises situated at office No. 2 A, 2nd floor in Building No. 3 of City Mall, Link Road, Oshiwara, Link Road Andheri West, Mumbai belonging to Vision Corporation Limited.</p> <p>-Pledge of 14,80,000 Redeemable Preference Shares (INR 10 per share) of Solapur Bio Energy System Private Limited owned by Organic Recycling System Limited.</p> <p>-Pledge of 37,00,000 fully paid up equity shares (INR 10 per share) of Solapur Bio Energy System Private Limited owned by Organic Recycling System Limited.</p> <p>The entire credit facility will further secured by Personal/Corporate Gurantee of the following individuals/ organizations :</p> <p>1.Sarang Bhand</p> |
| 4 | Bank of Baroda | To build up current assets for working capital requirements/to meet liquidity crunch/Cash flow mismatch | INR | June 19, 2020 | 90.50 | 37.71 | BRLLR + 1% p.a. with monthly rests | Repayable in 36 monthly instalment with interest commencing from August 2020 and principal amount commencing from July 2021 along with interest at BRLLR + 1% p.a. with monthly rests. | 2. Organic Recycling System Limited  |



|   |                |   |     |                   |       |       |                                    |  |  |
|---|----------------|---|-----|-------------------|-------|-------|------------------------------------|--|--|
| 5 | Bank of Baroda | To build up current assets for working capital requirements/to meet liquidity crunch/Cash flow mismatch | INR | December 21, 2021 | 45.00 | 45.00 | BRLLR + 1% p.a. with monthly rests | Repayable in 36 monthly instalment with interest commencing from December 2021 and principal amount commencing from December 2023 along with interest at BRLLR + 1% p.a. with monthly rests. | 3. Vision Corporation Limited                        |
| 6 | Bank of Baroda | Additional funding under OTR 2.0 for purchase of Plant and Machineries (imported and indigenous)        | INR | October 30, 2021  | 67.84 | 60.15 | BRLLR + 2.25 % spread p.a          | Repayable in 60 monthly instalment with interest commencing from January 2022 and principal amount commencing from January 2023 along with interest at BRLLR + 2.25 % spread p.a             | 4. Five Elements Environment Venture Private Limited |

Notes:

- i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Company.
- ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure VIII.
- iii) The rates of interest given above are BRLLR is linked to RBI Repo rate and the same will change in line with movement of RBI repo rate. in the Annexure above.
- iv) The rates of interest given above are Spread to be reset linked to credit rating of the unit on completion of 24 months (including moratorium) from date of implementation of restructuring. in the Annexure above.
- v) The above includes long term borrowings disclosed under Annexure VIII and the current maturities of long-term borrowings included in Short term borrowings under Annexure VIII.



(b) Short-term borrowings

| Sr No | Lender         | Purpose                                   | Loan Currency | Loan Sanctioned Date | Amount (in Lakhs) Bank Overdraft Limit | Amount Outstanding as on March 31, 2023 (in lakhs) | Rate of interest ( p.a. )                  | Repayment / Modification of Terms   | Security / Principal Terms and conditions |
|-------|----------------|---|---------------|----------------------|--|--|--|---|---|
| 1     | Bank of Baroda | Cash Credit - Working capital requirement | INR           | June 24, 2009        | 75.00                                  | 93.94*   | 6.00% over BRLLR + plus strategic premium. | Cash Credit taken from Bank of Baroda for working capital requirement.<br>'Margin : 25% of Stock and 40% on book debt up to 90 days.<br>'Rate of Interest : 6.00% over BRLLR + plus strategic premium.<br>Interest is payable with monthly rests and subject to change in credit rating of the account/Banks guidelines issued from time to time.<br>'Security / Document :<br>i. Exclusive 1st charge by the way of supplementary Hypothecations of entire Stock and Book Debts of group, both present and future.<br>ii. Irrevocable Power of Attorney for Books debts. |   |

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Company.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure VIII.

\*Balance outstanding as on the balance sheet date appears more than the sanctioned amount due to post dated cheques issued subject to clearance.

\*\* Borrowings as per Annexure VIII shows a bank overdraft amounting to Rs. 0.29 Lacs. However the same has not been included in this certificate, as it is reflected because of cheques issued but not presented.



B. UNSECURED LOANS:

| Sr No | Lender                                     | Purpose                 | Loan Currency | Amount Outstanding as on March 31, 2023 (in Lakhs) | Rate of interest (p.a.) | Repayment / Modification of Terms   | Security / Principal Terms and conditions |
|-------|--|-------------------------|---------------|--|-------------------------|---|---|
| 1     | Business loan from Bajaj Finance           | Business loan           | INR           | 22.24  | 18.00 %                 | Repayable in 84 monthly instalments. The first 26 instalments will only pay interest, while the remaining 58 instalments will pay both principal and interest. Principal repayment commences from May 2023 along with interest at 18% p.a.  | -   |
| 2     | Aegis Warehousing Services Private Limited | Inter-Corporate Deposit | INR           | 3,423.33   | 12.00 %                 | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028. A simple interest at 12% p.a. will be charged on the outstanding balance during the year, which may be reduced or waived on the basis of mutual agreement between the parties without the approval of the members. | -   |
| 3     | Indo Euro Indchem Limited                  | Inter-Corporate Deposit | INR           | 41.00  | 0.00%                   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.   | -   |
| 4     | La Fin Financial Services Private Limited  | Inter-Corporate Deposit | INR           | 450.00   | 0.00%                   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.   | -   |
| 5     | Prash Builders Private Limited             | Inter-Corporate Deposit | INR           | 221.60   | 6.00%                   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028. A simple interest at 6% p.a. will be charged on the outstanding balance during the year, which may be reduced or waived on the basis of mutual agreement between the parties without the approval of the members.  | -   |
| 6     | Sunil Equitrade Private Limited            | Inter-Corporate Deposit | INR           | 1,960.20   | 0.00%                   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.   | -   |
| 7     | Sunil Equitrade Private Limited            | Inter-Corporate Deposit | INR           | 300.00   | 0.00%                   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid on or before March 31, 2028, which carries interest @ 0%.   | -   |
| 8     | Sarang Bhand                               | Director Loan           | INR           | 9.17   | 0.00%                   | There is no specific repayment schedule for this long-term loan. However, as per the agreement executed, this loan will have to be repaid after March 31, 2028, which carries interest @ 0%.  | -   |



Notes:

- i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Company.
- ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure VIII.
- iii) The above includes long term borrowings disclosed under Annexure VIII and the current maturities of long-term borrowings included in Short term borrowings under Annexure VIII.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the financial year ended on 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 including the notes and significant accounting policies thereto and the reports thereon, which appear under the "Financial Information" starting on page no. 142 in this Draft Prospectus. You should also see the section titled "Risk Factors" beginning on page 17 of this draft prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.*

*These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated October 12, 2022 which is included under the section titled "Financial Information as Restated" beginning on page 142 of this draft 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 page 17 and 10 respectively in this draft prospectus*

*Accordingly, the degree to which the financial statements in this draft prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year unless otherwise specified. Please also refer to section titled "Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation" beginning on page 9 of this draft prospectus.*

### **BUSINESS OVERVIEW**

We are an engineering company focused on environmental solutions and provides waste management solutions across waste types and across the value chain. Our Company has been a forerunner in providing sustainable waste management solutions in India since 2008. Incorporated by technocrats our focus primarily has been on developing robust, cost effective & environment friendly technologies that are simple to operate. We have proven technology and capability of successfully running one of India's first Waste to Energy (WTE) plant developed on anaerobic biomethanation technology.

The anaerobic bio methanation technique has been recognized as a promising technology as per National Master Plan issued by Government of India, We have also set up a MSW processing and disposal plant in Solapur, Maharashtra to convert Municipal Solid Waste (MSW) into electricity and compost. The plant has been operational since 2013 with the plant being recognized as one of the case studies for best practices for MSWM under the Swachh Bharat Mission and various other reports. With the data collected over the years, our company is now a front runner for various EPC opportunities in the country and therefore providing solutions encompassing entire value chain for waste management.

Our Business verticals includes Build Own Operate Transfer (BOOT) model, Engineering Procurement and Commissioning (EPC) model and Supply of key equipment.

Waste Management is a very huge opportunity in India due to its demographics and consumption pattern. The sector is in its growth stage with very few players having the right technology and capability to provide sustainable solutions. Hence we are determined to enter into and become one of the leading technology & service providers in Asian, Middle Eastern, and African region for mitigating waste management challenges by promoting sustainable technological innovations right from door-step and community level solutions to large scale end-to-end infrastructure solutions for municipal waste management.

Our projects are implemented keeping in the mind positive social impact on environment & well-being for society at large. Driven by principles of circular economy, we are committed to recover maximum resources from waste thereby reducing burden on landfills.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD**



In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e., March 31, 2023 as disclosed in this draft prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Company received Patent Certificate dated July 10, 2023 issued by The Patent Office, Government of India towards invention entitled “**Integrated Process for pre-treatment and Anaerobic Digestion of Waste and Apparatus used therein**”.

#### ***KEY FACTORS AFFECTING OUR RESULTS OF OPERATION***

- Changes in laws and regulations relating to the Sectors in which we operate;
- Emergence of alternate products which may be technologically advanced and our inability to keep pace with the change
- Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
- Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Our ability to retain and hire key employees or maintain good relations with our workforce;
- Impact of any reduction in sales of our products;
- Increased competition in industries/sector in which we operate;
- Our ability to expand our geographical area of operation;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability; and
- COVID-19 pandemic and similar circumstances

#### ***SIGNIFICANT ACCOUNTING POLICIES:***

Our significant accounting policies are described in the section entitled “***Financial Statements as Restated***” beginning from page no. 142 of the draft prospectus.



## SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from restated profit and loss accounts for the financial year ended on 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 and the components of which are also expressed as a percentage of total income for such periods.

(Rs in Lakhs)

| Particulars   | March 31, 2023  | % of Total Income | March 31, 2022 | % of Total Income | March 31, 2021 | % of Total Income |
|---|-----------------|-------------------|----------------|-------------------|----------------|-------------------|
| Revenue from operations   | 2,471.93        | 97.55             | 1461.37        | 83.19             | 1252.38        | 79.36             |
| Other income  | 62.18           | 2.45              | 295.30         | 16.81             | 325.80         | 20.64             |
| <b>Total Income</b>   | <b>2,534.10</b> | <b>100.00</b>     | <b>1756.67</b> | <b>100.00</b>     | <b>1578.18</b> | <b>100.00</b>     |
| Expenses:   |                 |                   |                |                   |                |                   |
| Direct Expenses   | 526.08          | 2076              | 687.25         | 39.12             | 774.97         | 49.11             |
| Changes in inventories of finished goods and work in progress           | 28.00           | 1.10              | -16.85         | -0.96             | 11.99          | 0.76              |
| Employee benefits expense   | 359.06          | 14.17             | 275.40         | 15.68             | 227.70         | 14.43             |
| Finance costs   | 187.95          | 7.42              | 152.74         | 8.69              | 131.42         | 8.33              |
| Depreciation and amortisation   | 495.82          | 19.57             | 595.99         | 33.93             | 644.69         | 40.85             |
| Other expenses  | 471.52          | 18.61             | 596.78         | 33.97             | 236.63         | 14.99             |
| <b>Total expenses</b>   | <b>2,068.43</b> | <b>81.62</b>      | <b>2291.32</b> | <b>130.44</b>     | <b>2027.40</b> | <b>128.46</b>     |
| <b>Profit / (Loss) before Extraordinary Items, Prior Period and Tax</b> | <b>465.68</b>   | <b>18.38</b>      | <b>-534.65</b> | <b>-30.44</b>     | <b>-449.22</b> | <b>-28.46</b>     |
| Extraordinary Items   | 0.00            | 0.00              | 0.00           | 0.00              | 0.00           | 0.00              |
| Prior Period Expenses   | 0.00            | 0.00              | 0.00           | 0.00              | 0.00           | 0.00              |
| <b>Profit before tax</b>  | <b>465.68</b>   | <b>18.38</b>      | <b>-534.65</b> | <b>-30.44</b>     | <b>-449.22</b> | <b>-28.46</b>     |
| Tax expense:  |                 |                   |                |                   |                |                   |
| (1) Current tax   | 82.56           | 3.26              | 0.00           | 0.00              | 0.00           | 0.00              |
| (2) Deferred tax  | 17.73           | 0.70              | 0.00           | 0.00              | 0.00           | 0.00              |
| (2) Short/(Excess) provision of tax of earlier years                    | 0.00            | 0.00              | 0.00           | 0.00              | 0.00           | 0.00              |
| <b>Profit / (Loss) before Share of Profit / (Loss) of Associates</b>    | <b>365.38</b>   | <b>14.42</b>      | <b>-534.65</b> | <b>-30.44</b>     | <b>-449.22</b> | <b>-28.46</b>     |
| Share of Profit / (Loss) in Associates                                  | 0.00            | 0.00              | -0.38          | -0.02             | -0.14          | -0.01             |
| <b>Profit (Loss) for the period</b>                                     | <b>365.38</b>   | <b>14.42</b>      | <b>-535.03</b> | <b>-30.46</b>     | <b>-449.37</b> | <b>-28.47</b>     |

## PERFORMANCE OF THE COMPANY FOR THE PERIOD BEGINNING FROM APRIL 1, 2022 TO MARCH 31, 2023.

- **Revenue:** The revenue for the year has increased significantly over the previous year on account of the following developments:

**MOU with White Organic Retail Limited (WORL)** – The Company has entered into a Memorandum of Understanding with WORL on December 28, 2022, Mumbai to provide comprehensive solutions for agricultural waste management in the states of Punjab, Haryana and Maharashtra. Salient features of the MOU is given below :

- WORL is in the business of retail and wholesale trading of agro produce, processing of Agriculture products and allied activities. With an objective to expand its footprints in agro waste processing, WORL has decided to collaborate with ORS to acquire projects in Agricultural waste management sector as ORS has 14 years of extensive experience in building and managing multiple waste management projects. As per the terms of the MOU, WORL has agreed to pay a sum of Rs. 6 crores (Rs. 60 lakhs to ORS and balance Rs. 540 lakhs to Solapur Bioenergy System Private Limited (SBSPL) towards one time technological and operational sub-licensee fee for exclusive partnership rights for development of 1,000 MT/day (aggregate) processing capacity plants in next 3 years. ORS shall be the exclusive EPC partner for the said projects. The overall value of such contracts is estimated to be over Rs. 300 crores to be developed over the next 3 years. **Monetisation of Palakkad project** - ORS had entered into Engineering Procurement and Construction (EPC) Contract on December 14, 2020 with Blue Planet Palakkad Waste Solutions Private Limited (Blue Planet) for setup of 200 TPD Waste Processing facility at Palakkad, Kerala (please refer page 97 of the draft Prospectus). Blue Planet belongs to the Blue Planet Environmental Solutions group based in Singapore which specialises providing waste management and processing solutions for municipal solid waste (MSW), plastic / medical / e-waste etc. In this project, Blue Planet group is responsible for meeting the financial capacity requirements and ORS responsible for meeting the technical capacity requirements.

The Palakkad project was facing regulatory delays beyond the control of the parties concerned. Given that ORS had been continuously deploying resources for the project, and has now other multiple project opportunities (like the one mentioned





in (a) above). For better optimization, ORS has requested the Developer for an early resolution for services provided till date by ORS with an understanding to review the project once the Developers permissions are received and the land is allotted. Based on discussions, it was decided to amend the EPC Agreement for better utilisation of respective resources and accordingly amendment agreement dated December 31, 2022 was entered into between the parties. The salient features of the amendment agreement are given below :

The Purchaser (i.e. Blue Planet) and Contractor (i.e. ORS) have noted and agreed that despite constant efforts by each Party, there has been a significant delay in land allotment for the Project by KSIDC, and consequently the Contractor has only carried out the Basic Engineering and Detailed Engineering works under the EPC Contract.

The parties agree and acknowledge that the Contractor has completed all the basic and detailed engineering works.

The Purchaser hereby agrees to pay to the Contractor, the Contract Price in consideration of the performance by the Contractor of its obligations identified under this Contract Agreement. The Contract Price shall be an amount of Rs. 13,28,71,000/-, exclusive of GST, payable in relation to the Basic Engineering (Rs. 3,28,71,000/-) and Detailed Engineering works (Rs. 10,00,00,000/-).

**Execution of project at Kalyan Dombivali Municipal Corporation (KDMC)** – The company has commenced execution of EPC contract as per terms of agreement with KDMC and revenues from the project have started to accrue from the FY 2023.

- **Expenses:** The Company and its subsidiaries have continued incurring expenses towards plant operations, engineering services and project management of the projects in hand. However, due to monetization of technology development through the MOU with WORL and the amendment of the EPC agreement for Palakkad, the overall operational expenses have reduced and resulted into an operational profit to the tune of Rs. 365.38 lakhs (including depreciation) and Rs. 861.20 lakhs (before depreciation) for financial year ended as on March 31, 2023.
- **Net worth:** The net worth of the Company as on March 31, 2023, was Rs. 2,550.07 lakhs.

#### ***COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2023 WITH FISCAL 2022***

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**Total Income:** During the FY 2022-23 the restated revenue from operation of the company has increased to Rs. 2,471.93lakhs as against Rs. 1,461.37 lakhs in the FY 2021-22. This represents a 69% increase YoY. This increase was mainly due to increase in volume of operation.

**Other Income :** Out of the total restated income, restated Other Income comprise an amount of Rs.62.18 lakhs amounting to over 2% of the restated total income in FY 2022-23 and restated other income for FY 2021-22 stood at Rs. 295.30lakhs which was about 16% of the restated total income. Besides the normal interest income, it included an amount of Rs. 50.75 lakhs in FY 2022-23 pertaining to profit of sale of assets and sundry balance written back which are non-recurring in nature. In FY 2021-22, Rs. 283.77 lakhs pertains to profit of sale of assets and sundry balance written back which are non-recurring in nature.

**Total Expenses:** The total restated expenditure excluding depreciation, interest and tax amount, for the FY 2022-23 has decreased to Rs.1,384.65 lakhs as against Rs. 1,542.59 lakhs in the FY 2021-22. This represents a 10% decrease YoY. This decrease was mainly due to efficiency in operations at the plant in Solapur

**Direct Cost & Changes in Inventories of Finished Goods and Work in Progress:** The restated Direct Cost & Changes in Inventories of Finished Goods and Work in Progress for the FY 2022-2023 has reduced to Rs.554.08 lakhs as against Rs. 670.41 lakhs in the FY 2021-22. This represents a 17% decrease YoY. This decrease was mainly due to efficiency in managing inventory during the FY.

**Employee Benefit Expenses:** The restated Employee Benefit Expenses for the FY 2022-23 has increased to Rs.359.06 lakhs as against Rs. 275.40 lakhs in the FY 2021-22. This represents a 30% increase YoY. This increase was mainly due to increased investment in manpower made for future growth during the FY.

**Finance Cost:** The restated Finance Cost for the FY 2022-23 has increased to Rs.187.95 lakhs as against Rs. 152.74 lakhs in the FY 2021-22 which represents a 23% increase YoY.

**Other Expenses:** The restated Other Expenses for the FY 2022-23 has decreased to Rs.471.52 lakhs as against Rs. 596.78 lakhs in the FY 2021-22. This represents a 21% decrease YoY. This decrease was mainly due to reduction in bad debts and balance written off during the FY 2023.



**Profit/ (Loss) for the period:** The restated profit after tax for FY 2022-23 has increased to Rs.365.38 lakhs as against loss of Rs.535.03 lakhs in the FY 2021-22. This increase was mainly due to significant increase in revenues from monetization of Palakkad project and MOU with WORL along with reduction in expenses during the year.

#### ***COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2022 WITH FISCAL 2021***

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**Total Income:** During the FY 2021-22 the restated revenue from operation of the company has increased to Rs. 1,461.37 lakhs as against Rs. 1,252.38 lakhs in the FY 2020-21. This represents a 17% increase YoY. This increase was mainly due to increase in volume of operation.

**Other Income:** Out of the total restated income, restated Other Income comprise an amount of Rs. 295.30 lakhs amounting to over 16% of the restated total income in FY 2021-22 and restated other income for FY 2020-21 stood at Rs. 325.80 lakhs which was about 20% of the restated total income. Besides the normal interest income, it included an amount of Rs. 283.77 lakhs in FY 2021-22 pertaining to profit of sale of assets and sundry balance written back which are non-recurring in nature. In FY 2020-21, sundry balance written back amounted to Rs. 303.76 lakhs which are non-recurring in nature.

**Total Expenses:** The total restated expenditure excluding depreciation, interest and tax amount, for the FY 2021-22 has increased to Rs.1,542.59 lakhs as against Rs.1,251.29 lakhs in the FY 2020-21. This represents a 23% increase YoY. This increase was mainly due to increase in volume of operation and expenses incurred for future growth during the FY.

**Direct Cost & Changes in Inventories of Finished Goods and Work in Progress:** The restated Direct Cost & Changes in Inventories of Finished Goods and Work in Progress for the FY 2021-2022 has reduced to Rs. 670.41 lakhs as against Rs.786.96 lakhs in the FY 2020-21. This represents a 15% decrease YoY. This decrease was mainly due to efficiency in managing inventory during the FY.

**Employee Benefit Expenses:** The restated Employee Benefit Expenses for the FY 2021-22 has increased to Rs.275.40 lakhs as against Rs.227.70 lakhs in the FY 2020-21. This represents a 21% increase YoY. This increase was mainly due to increase in volume of operation and hiring made for future growth during the FY.

**Finance Cost:** The restated Finance Cost for the FY 2021-22 has increased to Rs.152.74 lakhs as against Rs.131.42 lakhs in the FY 2020-21 which represents a 16% increase YoY.

**Other Expenses:** The restated Other Expenses for the FY 2021-22 has increased to Rs.596.78 lakhs as against Rs.236.63 lakhs in the FY 2020-21. This represents a 152% increase YoY. This increase was mainly due to increase in volume of operations, increased travelling & other expenses for new orders and provisioning of receivables during the FY.

**Profit/ (Loss) for the period:** The restated loss after tax for FY 2021-22 has increased to Rs.535.03 lakhs as against Rs.449.37 lakhs in the FY 2020-21. This represents a 19% increase YoY. This increase was mainly due to more than proportionate increase in other costs as highlighted above.

#### ***AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HEREUNDER:***

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**1. Unusual or infrequent events or transactions**

Except as described in this Draft 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.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations except the Covid-19 pandemic which is still to be controlled. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income 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.**

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 17 in the draft prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.



**4. *Expected Future changes in relationship between costs and revenues***

Our Company's future costs and revenues will be determined by demand/supply situation and Government Policies.

**5. *Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices***

Changes in revenue in the last financial years are as explained in the part "***Comparison of the financial performance***" of above.

**6. *Total turnover of each major industry segment in which our Company operates***

The Company is mainly engaged in Construction, Development and Maintenance of Waste-to-Energy projects, particularly in the Municipal Solid Waste sector. Therefore, there are no separate reportable segments.

**7. *Status of any publicly announced New Products or Business Segment***

Our Company has not announced any new product except as disclosed in the Draft Prospectus.

**8. *Seasonality of business***

We do not believe our business to be seasonal.

**9. *Competitive conditions***

Competitive conditions are as described under the Chapters "***Industry Overview***" and "***Our Business***" beginning on page 76 and 86 respectively of the draft prospectus.

**10. *Details of material developments after the date of last balance sheet i.e., March 31, 2023.***

Except as mentioned in this draft prospectus, no material circumstances have arisen since the date of last financial statement until the date of filing the draft prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.



## LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Promoters, Directors, Group Company and Subsidiary, (the “**Relevant Parties**”).

For the purpose of (V) above, our Board in its meeting held on October 4, 2022, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered ‘material’ if:

- a. the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 25% of the revenue, assets/liabilities or net profit after tax (whichever is the lowest) of our Company as per the restated consolidated financial statements of our Company for the last full Fiscal, or
- b. the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects, or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on October 4, 2022 determined that outstanding dues to creditors in excess of Rs. 50.00 lakhs or 2% of revenues (whichever is the higher) as per the restated consolidated financials for the period ended 31<sup>st</sup> March, 2023 shall be considered as material dues (“**Material Dues**”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus.

### CONTINGENT LIABILITIES OF OUR COMPANY AND GROUP COMPANY

As on 31.03.2023, our Company has the following Contingent Liabilities:

| <b>Contingent Liabilities</b>                         | <b>(Rs. In lakhs)</b> |
|---|-----------------------|
| Income Tax demands / Notices before CIT Appeals / TDS | 1,125.48              |
| Bank Guarantees / Corporate Guarantees                | 365.51                |
| <b>Total</b>  | <b>1,490.98</b>       |

#### A. LITIGATION INVOLVING OUR COMPANY

##### Litigation against Our Company

(i) **All criminal proceedings:**

NIL.

(ii) **All actions by regulatory authorities and statutory authorities: <sup>2</sup>**

**A. ROC NOTICE REGARDING DISCLOSURE OF SUBSIDIARIES**

We received a notice bearing reference number ROC/CMC-CRL-1/RS/2018/632 dated 14.05.2018 from the Registrar of Companies, Mumbai towards Organic Recycling Systems Private Limited (U40106MH2008PTC186309), As per publication of Companies (Restriction on number of Layers) Rules, 2017, Form CRL-1 made in accordance with the Section 2(87) of Companies Act, 2013 is required to be filed within 150 days from 20th September 2017. But as per the information of our company available on the MCA portal, it had been observed in the Form MGT-7 for the financial year 2016-17, that the company declared more than 2 (two) subsidiaries and had failed to file the Form CRL-1. Due to this default, the company was requested to submit the reply in duplicate within 10 days from the date of this letter. Appropriate reply through letter dated 23.05.2018 was sent stating reasons for the same. No further action has been taken after that.

<sup>2</sup> The Regulatory or Statutory Authorities for the purpose of this Chapter include but are not limited to SEBI, RBI etc.



- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action:**

NIL.

- (iv) **Claims related to Direct and Indirect taxes:**

**Direct Tax:**

- i. **Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following demands in the payment of Income Tax by the Company are still outstanding:

| Assessment Year | Section Code | Demand Identification Number | Date on which demand is raised | Outstanding Demand (in Rupees) | Status   |
|-----------------|--------------|------------------------------|--------------------------------|--------------------------------|--|
| 2020-21         | 1431A        | 202120203703<br>0273833C     | December 23,2021               | 4,14,64,160                    | Rectification has been applied online on 06.01.2022 and the same is still under process. |
| <b>Total</b>    |              |                              |                                | <b>4,14,64,160</b>             |  |

- ii. **Tax Deducted at Source (TDS)**

| Sr. No       | Particulars | Total Default (in Rs.) | Status  |
|--------------|-------------|------------------------|---|
| 1.           | FY 2022-23  | 11,350                 | Rectification applied against the outstanding demand. |
| <b>Total</b> |             | <b>11,350</b>          |   |

**Indirect Tax:**

- i. **Service Tax**

Show cause cum demand notice No. CGST/BeI/Dn-I/R-IV//14/SCN-51/ORGANIC/2020 Belapur, for an amount of Rs 307.18 lakhs dated 28.12.2020 received by ORS for the contravention of provisions of Section 66B, Section 67 and Section 68 of the Finance Act,1994 read with rule 6 of Service Tax Rules, 1994. No reply was filed to this and neither any action has been taken by the authority against us post this. The liability is time barred as per provisions of Sec 73 of Finance Act, 1994 (as amended from time to time) as on date.

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**  
NIL

**There are no pending or ongoing litigations, however, in relation to investigation against Maitri Suvarnaasiddhi Private Limited (MSSPL), Sunlet Systems and Ventures Private Limited (SSVPL) and West Coast Ventures (India) Private Limited (WCV), our Company has been asked to furnish information / documents in relation to investments received from WCV.**

**I. REGULATORY BODIES' ENQUIRY INTO TRANSACTIONS WITH WEST COAST VENTURES (INDIA) PRIVATE LIMITED (WCV)**

**BACKGROUND**

ORS is a company engaged in the business of solid waste management and conversion of waste to energy for municipal corporations in India. In 2009, ORS was declared the successful tenderer for setting-up a waste management facility by Bruhat Bengaluru Mahanagar Palike ("BBMP), a special purpose vehicle, Organic Waste (India) Private Limited ("Bangalore SPV"), was set up to execute the project. Sunil Hi-Tech India Infra Ltd ("Sunil Hi-Tech") expressed its interest during 2013 towards investing in the Bangalore SPV and invested total amount of Rs. 8.93 crores in Organic Waste India Private Limited. However, in or about May 2014, Sunil Hi-Tech expressed their inability to pursue further investments in the Bangalore SPV. Therefore, it was decided that Sunil Hi-Tech could only exit the arrangement if and when a new investor was found to take up the shares of the Bangalore SPV.

In November 2014, WCV expressed its desire to invest Rs. 43 crores in the Bangalore SPV and a proposed project in Pune. It was always understood that the payments made by WCV would be towards equity share application money for acquiring the equity shares of the Bangalore SPV from Sunil Hi-tech,, execution of the Bangalore SPV and Pune SPV.

On 8 November 2014, an initial amount of Rs. 50 lakhs was remitted by WCV as an advance towards equity in the Bangalore



and Pune projects. A Memorandum of Understanding for equity investments (MOU) was entered upon. From January 2015 onwards, WCV began to default in making payments as per agreed timelines. On 29 February 2015, ORSPL was declared as the successful bidder to the Pune SPV by PMC. To bring in the necessary capital, we called upon WCV to make the requisite payments towards the Pune project. However, it continued to fail.

When ORS attempted to procure a credit facility from banks, it asked for financial documents from WCV. In response to the above, the documents were provided by WCV and upon perusal, ORS noticed that the financial documents provided by them were not of WCV but belonged to a company called 'Maitreya Services Private Limited' in which certain discrepancies were noted. Therefore, ORS addressed to WCV requesting information on the discrepancies in the said balance sheet. However, no reply was forthcoming despite reminders.

ORS began enquiring into the antecedents of it. It was only at this advanced stage that ORS became aware that two associate companies of WCV namely, Maitreya Services Limited and Maitreya Plotters and Structures Private Limited (collective called "debarred companies") were barred by SEBI, from raising money from the capital markets, and directed to return money raised. At this stage, ORS was only aware that orders had been passed by SEBI against some associate companies of WCV, and therefore, ORS was of the view that the same had no direct bearing on its transaction with WCV.

Although the MoU anticipated a total equity investment of Rs 43,00,00,000/- by WCV, it only invested Rs.22,50,00,000/-. The said amounts were received in 18 instalments, of which, 16 instalments were paid by WCV and 2 (two) instalments were paid by one Sunlet Systems and Ventures (India) Private Limited ("Sunlet") on behalf of it. It is pertinent to note that of the total amount of Rs. 25,00,00,000/- received under the aforesaid instalments, a sum of Rs. 2,50,00,000/- was returned by ORSPL to WCV on 2nd April, 2015. Consequently, the net total investment by WCV for acquiring shares of the Bangalore and Pune SPVs was only Rs. 22,50,00,000/-, out of which an amount of Rs. 8,91,08,602/- had been utilized in making payments to Sunil Hi-Tech and the remaining had been invested in Bangalore and Pune SPV's.

On 2 September 2015, WCV announced its sudden withdrawal from the arrangement, citing a lack of funds. ORS addressed a letter to WCV terminating the MoU and on 19 April 2016 demanding damages. Ultimately on 18 June 2016 ORS addressed a notice to WCV invoking the arbitration clause of the MoU and referred the disputes thereunder to arbitration.

#### **Summary :**

Considering the inclination of WCV to invest in the Company / its subsidiary's projects and relying on its representations, our Company agreed in good faith and in the ordinary course of business to accept the investments for its business needs. As per the terms agreed with WCV under MOU dated November 10, 2014, total funds to be brought in by WCV were to be appropriated towards equity share capital and since the agreed sum of amount as per the decided time frame was not provided by WCV, ORS sought damages through Arbitration proceedings. The Arbitration process resulted in awarding damages to the tune of Rs. 33.90 crores to be recovered by the Company from WCV. The award directs WCV to pay Rs. 11.40 crores (after appropriation of Rs. 22.50 crores) with interest at the rate of 8% per annum with effect from March 01, 2016. Pursuant to this, ORS appropriated the sum of Rs. 22.50 crores as directed and the liabilities were written back with corresponding write off of initial expenses / capital WIP in the two projects where the sum was invested. WCV approached NCLT to claim back the amounts as 'financial creditor' The NCLAT order confirms that WCV is not a financial creditor and dismissed WCV's contention. Thus, the amount received from WCV has been ordered to be appropriated towards damages taking into account breach of MOU and as such no equity was allotted due to breach of conditions. Further there is no liability on the Company to refund the amount received and on the contrary, Company holds an Arbitration award dated January 06, 2020 to claim Rs. 11.40 crores from WCV along with interest thereon from March 01, 2016.

**In relation to the above transaction, following notices were received:**

#### **1) SFIO NOTICES FOR INVESTIGATING INTO RELATION b/w WCV AND ORS**

- a. A 'Notice to produce documents' bearing Reference No: SFIO/Mum/Inv/MSPL/NOTICE/2018-19 dated 21.05.2018 was issued by Serious Fraud Investigation Office (SFIO) requiring Mr.Sarang Bhand and Mr.Venkateswara Suram Rao of Organic Waste India Pvt Ltd to produce documents for investigating into the affairs of "Maitri Suvarnasiddhi Private Limited" and Neminath Realtor Private Limited u/s 212(1) (c) of Companies Act, 2013. In response to the above notice, a statement was provided to SFIO by Mr. Sarang Bhand. No further action has been taken thereof since 2018..

A 'Notice to produce documents' bearing Reference No: SFIO/Mum/Inv/MSPL/NOTICE/2018-19 dated 21.05.2018 was issued by Serious Fraud Investigation Office (SFIO) requiring Mr.Sarang Bhand, Mr. Ashok Kapoor and Mr.Venkateswara Suram Rao of Organic Recycling Systems Private Limited Company to produce documents for investigating into the affairs of "MAITRI SUVARNASIDDHI PRIVATE LIMITED" and NEMINATH REALTOR PRIVATE LIMITED u/s 212(1) (c) of Companies Act, 2013 ordered by the Central Government vide order no No.01/2/2016/CLII (SER) dated 18.04.2016. In response to the above notice, a statement was provided to SFIO by Mr. Sarang Bhand. No further action has been taken thereof since 2018.



## 2) MCA INSPECTION NOTICES

Various notices from the Ministry of Corporate Affairs through the ROC offices in Mumbai, earliest being 13.06.2016 have been received by the Company, its Bangalore SPV and Pune SPV, current and past directors with respect to investigations into the transactions with WCV and legitimacy thereof. The directors have replied to all such notices and been present at all summons issued, to provide the information as has been requested by the Authorities. These investigations are still ongoing.

A summary of these notices is given hereunder

Notice bearing Reference no – RD(WR)/Insp/Organic/2021/3219 dated 01.02.2021 was sent by the Ministry of Corporate Affairs for inspection u/s 206(5) and 207 of the Companies Act,2013. We were required to submit certified copies of certain documents and to assist in the inspection process. A copy of the same notice was also sent to Sarang Bhand and Yashas Suhas Bhand. The replies have been duly submitted.

- a. A notice bearing reference no. RD(WR)/Insp/Organic/2022/2906 dated 16.08.2022, in continuation of the letter dated 01.02.2021 was received from the Ministry of Corporate Affairs, informing the visit of the Registered Office of the company on 26.08.2022 in furtherance of the Inspection of Books of Accounts and other records of the company.
- b. Subsequently, a visit took place on 07.10.2022, and vide notice bearing reference no. RD(WR)/Insp/YDC/Organic/2022/4229 dated 10.10.2022, summons were issued to Mr. Sarang Bhand u/s 207(3) of Companies Act,2013 in respect of Organic Recycling Systems Private Limited to appear and record his statement on 13.10.2022. He was present on the above mentioned date and recorded his statement before the concerned authorities.
- c. Vide notice bearing reference no. RD(WR)/Insp/YDC/Organic/2022/4228 dated 10.10.2022, summons were issued to Mr. Yashas Bhand u/s 207(3) of Companies Act,2013 in respect of Organic Recycling Systems Private Limited to appear and record his statement on 14.10.2022. He was present on the above mentioned date and recorded his statement before the concerned authorities.
- d. Notice dated 13.06.2016 was sent to Mr.Sarang Bhand concerning Pune Urban Recyclers Pvt .Ltd.(Pune SPV) which is an SPV of Organic Recycling Systems Pvt .Ltd. He was called upon to be present on 16.06.2016 with all details of transactions, as well as with person who have knowledge of transactions with West Cost Ventures Pvt. Ltd in connection with crime no 34/16 u/s 420,406,120B of IPC r/w MPID 3, 4, & PCMC Act 3,4,5,3 registered against Smt. Varsha Madhusudan Satpalkar and other directors of Maitreya plotters and structures Pvt. Ltd. A detailed reply was filed to this on 23.06.2016 with relevant supporting documents. Also Mr. Sarang was present personally and recorded his statement in the said matter. No further action has been taken on this matter.
- e. Summons were issued dated 19.09.2022 to Mr. Sarang Bhand (DIN- 01633419), Mr. Venkateswara Suram Rao (DIN - 03138031), Mr..Vishwadeo Sharma (DIN- 03138031), Mr. Sunil Ratnakar Gutte, (DIN -00165822), Mr. Suhas Bhanudas Gawali,(DIN -2348471) from the Office of the Registrar of Companies, Madhya Pradesh u/s 207 r/w 206 (5) of the Companies Act, 2013 in respect of M/S Organic Waste (India) Private Limited to be present on 23.08.2022 and 25.08.2022 in connection with the enquiry relating to books of accounts and documents. Mr.Sarang was in attendance personally on 26.09.2022 Post this visit, we also filed a clarificatory reply dated as on 3.10.2022.
- f. We received a notice bearing reference number ROC-G/Sec206(5)/Insp./1696 dated 08.01.2020 for inspection by The Registrar of Companies, Madhya Pradesh towards M/S Organic Waste (India) Private Limited, u/s 206(5) of the Companies Act, 2013. In this regard, books of accounts, statutory records along with other documents were informed to be kept ready for inspection. A copy of the same was also sent to Mr. Sarang Bhand and Mr. Venkateshwara Suram Rao. Reply was filed on 05.02.2020 by the company against the list of queries raised by the concerned authority.
- g. Summons bearing reference number ROC-G/Insp./OW(I)PL/12063/928 dated 04.08.2022 issued against Mr. Suhas Bhanudas Gawali (DIN -2348471) from the Office of the Registrar of Companies, Madhya Pradesh u/s 207 (3)(b) of the Companies Act, 2013 in respect of M/S Organic Waste (India) Private Limited to be present on 25.08.2022 in connection with the enquiry u/s 206 r/w 207 which relates to books of accounts and documents along with Income Tax returns of last three years. Mr.Suhas Gawali had requested for leave of absence. Mr.Sarang Bhand had met the officer on 26.09.2022 on behalf of the company.
- h. We received a notice (ROC-G/Insp//AP/12063/1316) dated 05.11.2020 by The Registrar of Companies, Madhya Pradesh for inspection towards M/S Organic Waste (India) Private Limited, Mr. Sarang Bhand (DIN - 01633419)



and Mr. Venkateshwara Suram Rao (DIN - 03138031) u/s 206(5) of the Companies Act, 2013. In pursuance of the said inspection, queries were raised requiring a response from the above referred company.

The reply was filed with the Registrar through letter dated 01.12.2020.

- i. The Company received a preliminary finding on December 13, 2022 from MCA to which a reply was submitted on January 24, 2023. Certain further queries were raised by MCA in this regard via email dated February 22, 2023, and March 10, 2023. The replies for the aforesaid notices were submitted through email dated March 6, 2023 on and March 27, 2023, respectively. No further communication has been received by the Company from MCA.
- j. Organic Waste India Private Limited had received a letter dated December 26, 2022 from MCA which has been replied by it vide email dated January 23, 2023.

### 3) EOW NOTICE REGARDING WCV INVESTMENTS

- a. A notice bearing reference no. EOW/Nashik/787/2018 dated 10.05.2018 was sent by Economic Offence Wing (EOW), Nashik u/s 160 of Code of Criminal Procedure, 1973 to Mr. Suhas Bhand (Promoter Group) in relation to the investigation of Maitrey Group of Companies seeking details regarding the investments made by WCV to ORS. Detailed reply to this was filed on 23.05.2018. No further action has been taken on this matter since 2018.
- b. The Company and its material subsidiaries have received a notice under Section CRPC u/s 91 of Criminal Procedure Code, 1973 from EOW, Wardha dated 14.11.2022 seeking certain information in relation to the dealings with West Coast Ventures Pvt Ltd and its group companies. A reply to the said notice was made on November 23, 2022.

**Whilst the aforementioned enquiries were in progress, the Company was into litigation with WCV with respect to the defaults committed by WCV in meeting its investment obligations under the MOU. The Arbitration process resulted in awarding damages to the tune of Rs. 33.90 crores to be recovered by the Company from WCV. The award directs WCV to pay Rs. 11.40 crores (after appropriation of Rs. 22.50 crores) with interest at the rate of 8% per annum with effect from March 01, 2016. The details of these proceedings are summarized below**

#### **ARBITRATION WITH WCV**

Pursuant to this series of events we invoked arbitration through letter dated 18.06.2016, thereby seeking damages for abandonment of the agreement. The Arbitration proceedings culminated into an award in favor of ORS to the tune of Rs. 33.90 Crores as and by way of damages for WCV's breach of contract. ORS was permitted to appropriate the amounts received under the MOU towards the damages awarded. After having appropriated the sum of Rs. 22.50 Crores under the MOU against its the damages awarded pursuant to the Arbitral Award dated 06.01.2020, ORS is yet to receive an amount of Rs. 11.40 Crores from WCV for the latter's breach of its contractual obligations. This matter is currently closed.

#### **NCLT / NCLAT ORDER**

During the pendency of the Arbitration proceedings, WCV filed proceedings before the Hon'ble NCLT dated 29.07.2017 under Section 7 of the IBC claiming to be a financial creditor. The matter was argued at length on behalf of both parties. ORS challenged the maintainability of the petition and the locus of WCV to file the petition as a financial creditor given that the amounts received by ORS were in the nature of equity investments which were per se non-refundable. The Mumbai Bench of the NCLT admitted the petition filed on behalf of WCV and delivered the order on 30.08.2018. The matter was thereafter carried in appeal by ORS before the Hon'ble NCLAT and the Order of the NCLT was set aside on 08.02.2019 since the amounts received under the MOU were in the nature of equity investments towards the Bangalore and Pune SPVs. Accordingly, the appointment of Interim Resolution Professional, Resolution Professional, moratorium, freezing of account and all other orders passed by Adjudicating Authority were declared illegal and set aside. This matter is currently closed.

#### **II. Show cause notice issued against the Company:**

Show Cause Notices (SCN) dated May 15, 2023 followed by SCN dated May 23, 2023 were received from Kolkata Municipal Corporation (KMC) alleging non-performance of Bio-CNG plant (commissioned during September 2022) and seeking explanation why KMC should not initiate process of termination of contract and black listing of ORS.





The Company responded with its submissions vide letter dated June 16, 2023 pointing out the following:

- a. The plant was commissioned within the defined timeframe and functioning well with waste feeding and biogas generation. Plant was commissioned as per protocol i.e with generation of biogas and readiness for input feed.
- b. As approvals were pending, plant was not taken to full capacity operation to avoid wastage of biogas and avoid expenses.
- c. Required infrastructure has been provided and the quality of methane gas has also been achieved. The plant is capable of supplying Bio CNG and is awaiting operational approval from PESO and WBPCB.
- d. Compost was not generated as the plant was not taken to full capacity and the digestate was recycled back to the digester to maintain a healthy culture.

Our Company further represented by a letter June 17, 2023 highlighting the difficulties faced during operations. A request for escalation in the contract price has been requested to KMC to enable smooth and efficient running of the operations.

No further communication has been received from KMC in this regard.

#### **Litigation by Our Company**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

NIL

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action:**

NIL

**(iv) Claims related to direct and indirect taxes:**

**Indirect Tax:** NIL

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

#### **a. ORGANIC RECYCLING SYSTEMS VS MUNICIPAL CORPORATION OF DELHI (MCD):**

ORS had entered contract during the year 2018 with the three erstwhile corporations of New Delhi for setting up 10 decentralized Waste to Energy Plants. Under the Contract, ORS had furnished performance bank guarantee aggregating to roughly 1.6 crores. ORS had initially filed three petitions during July 2022 under Section 9 of the Arbitration Act against the three erstwhile corporations which were withdrawn with liberty to re-file. Disputes had arisen between the parties on account of MCD's failure to make payment of the amounts due to ORS under the contract roughly to the tune of 13 Crores. MCD initiated steps to terminate the contract and invoke the performance bank guarantees in view whereof, ORS approached the Delhi High Court seeking, inter-alia, a stay on termination of the contracts and invocation of the performance bank guarantees. ORS has also invoked the Arbitration Clause contained in the contracts and filed a petition for constitution of the Arbitral Tribunal since the Corporation failed to concur in appointment of an Arbitrator. By the time the Section 9 petition was heard, the three erstwhile corporations had merged by virtue of the Municipal Corporation Amendment Act, 2022 and the Municipal Corporation of Delhi terminated the contracts and invoked the performance bank guarantees. ORS objected to the invocation by virtue of a petition under Section 9 of the Arbitration Act dated 22.07.22 and the Hon'ble Delhi High Court stayed the invocation dated 26.08.22 since the invocation was not in accordance with the terms of the guarantee.

Vide an Order dated 13th February 2023 passed in Arb. Pet. No. 886 of 2022 passed by the Hon'ble Delhi High Court, an Arbitral Tribunal comprising of Mr. Justice G. S. Sistani (Retd.) was constituted and presently the matter is sub-judice before the learned arbitrator. ORSPL has filed its statement of Claims before the learned arbitrator and has also filed its Application seeking refund of the monies wrongly received by the MCD by invoking the bank guarantees. The matter is now posted for hearing of the ORS's application on 11th October 2023.

#### **b. ORGANIC RECYCLING SYSTEMS PRIVATE LIMITED VS. STATE OF U.P**

ORS is a solid waste management company, and the respondents (Meerut Nagar Nigam) is a statutory local body created under U.P Nagar Nigam Act, 1959. They issued a tender on 01.12.2016 for building an 800 TPD (Tons Per Day) MSW (Municipal Solid Waste) plant to be used for treatment of municipal solid waste. Based on this, the Petitioners issued their Expression of



Interest on the tender on 07.12.2016 for designing, constructing, installing, and operating a plant for treatment of 800 TPD municipal solid waste. It was decided in the Concession Agreement dated January 2, 2017 that the ORS would incur the expenditure for setting up and operating the plant, and the other party must make available 800 Tons per day of waste. We submitted a “Detailed Project Report” (DPR) on 08.09.2017. However, the Meerut Nagar Nigam asked for a revised DPR for a 400 TPD plant instead of the agreed plant of 800 TPD. They explained the change based on evaluation done by the Regional Centre for Urban and Environmental Studies, Lucknow (State govt run institution) of the DPR and that the 800 TPD plant was now being split into two 400 TPD plants. Since we had already invested lot of resources into the 800 TPD plant and in order to avoid waste of these resources we accepted to devise DPR for 400 TPD plant. The revised DPR envisaged the total cost of the plant to be 122.26 Crore wherein 39.68 Cr was to be funded through equity share capital, 42.79 Cr through VGF and 39.78 Cr through loan. Thereafter, the Respondent issued another tender for the remaining 400 TPD plant on 17.10.2018, violating the Concession Agreement entered by the parties. Based on this, we filed a Writ Petition (Writ-C No. 37667 of 2018) dated 17.10.18 in the High Court under Article 226 for the breach of the Agreement. The High Court on 16.11.2018 directed that if any e-tender is opened then the same will be subject to final decision of the writ petition. However, in a meeting at the Investors Summit, the Principal Secretary of Govt of UP (Respondent 1) and the Nagar Nigam (Respondent 2), it was decided that establishment of Waste to Energy Plant in Meerut would be done by M/S IL&FS Environmental Infrastructure & Services Ltd (IEISL) (Respondent 3). We were aggrieved by the conduct of the Respondents and therefore filed a Writ Petition (Writ-C No. 3312 of 2019) dated 28.01.19. The second tender is in direct breach of the Agreement. Respondent 3 is a major defaulter of various loans taken from multiple banks and has been leveled as Non-Performing Asset. The matter is still pending to be argued.

## **B. LITIGATION INVOLVING OUR DIRECTORS**

### **Litigation against Our Directors**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**

No proceeding is on-going but several notices have been received by our directors, refer to point 1 and 2 under the heading regulatory bodies enquiry into transactions with West Coast Ventures (India) Private Limited (WCV) mentioned above under the head “ Other pending litigation involving our Company.”

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against our directors in the last five financial years including outstanding action:**

NIL

**(iv) Claims related to direct and indirect taxes:**

**Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following is the status of Income Tax demands payable by the Directors

| Assessment Year     | Section Code | Demand Number        | Reference | Date on which demand is raised | Outstanding Demand (in Rupees) | Status   |
|---------------------|--------------|----------------------|-----------|--------------------------------|--------------------------------|--|
| <b>YASHAS BHAND</b> |              |                      |           |                                |                                |  |
| 2017-18             | 143 (1) (a)  | 2018201737013707373T |           | May,30 2018                    | 9470                           | Rectification response is filed as on 10.10.2022. Demand to be deleted by IT department. |
| <b>TOTAL</b>        |              |                      |           |                                | <b>9,470</b>                   |  |

**Indirect Tax: NIL**

**(v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

### **Litigation by Our Directors**

**(i) All criminal proceedings:**

NIL

**(ii) All actions by regulatory authorities and statutory authorities:**



NIL

- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the directors in the last five financial years including outstanding action:**

NIL

- (iv) **Claims related to direct and indirect taxes:**

NIL

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

### **C. LITIGATION INVOLVING OUR PROMOTERS**

#### **Litigation against Our Promoters**

- (i) **All criminal proceedings:**

NIL

- (ii) **All actions by regulatory authorities and statutory authorities:**

No proceeding is on-going but several notices have been received by our promoter, refer point 1 and 2 under the heading regulatory bodies enquiry into West Coast Ventures (India) Private Limited (WCV) mentioned above under other pending litigation involving our Company.

- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;**

NIL

- (iv) **Claims related to direct and indirect taxes:**

#### **Direct Tax:**

#### **Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following is the status of Income Tax demands payable by the Promoter

| Assessment Year     | Section Code | Demand Number        | Reference | Date on which demand is raised | Outstanding Demand (in Rupees) | Status  |
|---------------------|--------------|----------------------|-----------|--------------------------------|--------------------------------|---|
| <b>SARANG BHAND</b> |              |                      |           |                                |                                |   |
| 2016 -17            | 143(1)(a)    | 2018201637005014180T |           | April 23, 2018                 | 11,66,840                      | Rectification response is filed as on 10.10.2022. Demand to be deleted by IT department.    |
| 2017-18             | 143(1) (a)   | 2018201737048363335T |           | January 17, 2019               | 10,96,570                      | Rectification response is filed as on 10.10.2022. Demand to be deleted by IT department.    |
| 2018-19             | 143 (3)      | 2020201837023906422T |           | December 30,2020               | 5,412                          | Payment of outstanding demand has ben made, the same.Demand to be deleted by IT department. |
| 2019-20             | 143(1)(a)    | 2020201937017836094T |           | October 6,2020                 | 12,96,220                      | Rectification response is filed as on 10.10.2022. Demand to be deleted by IT department.    |



|              |           |                      |                 |                  |  |
|--------------|-----------|----------------------|-----------------|------------------|--|
| 2020-21      | 143(1)(a) | 2021202037013017332T | August 30, 2021 | 18,65,888        | Rectification response is filed as on 10.10.2022. Demand to be deleted by IT department. |
| <b>TOTAL</b> |           |                      |                 | <b>54,30,930</b> |  |

**Indirect Tax: NIL**

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**Litigation by Our Promoters**

- (i) **All criminal proceedings:**

NIL

- (ii) **All actions by regulatory authorities and statutory authorities:**

NIL

- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action:**

NIL

- (iv) **Claims related to direct and indirect taxes:**

**Direct Tax: NIL**

**Indirect Tax: NIL**

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

NIL

**D. LITIGATION INVOLVING OUR PROMOTER GROUP**

**Litigation against our Promoter Group**

- (i) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

**a. C.B.I. Vs. Suhas & others (Special Case: 06/2006)**

Suhas Bhand, (father of the Promoter) was the Managing Director of M/s Cicon Environment Technology Ltd., Bhopal, which was the original concessionaire for the Solapur project currently run by our SPV – Solapur Bioenergy Systems Pvt Ltd. He is accused of criminal conspiracy and fraud with Dena Bank. The Special Judge CBI, Bhopal, Madhya Pradesh acquitted Mr. Suhas Bhand under Section 420, 467, 468 & 471 of IPC and convicted Mr Suhas Bhand under Section 13(1)(d), r/w Section 13(2) of Prevention of Corruption Act 1988 and r/w Section 120-B of IPC directing him to undergo Rigorous imprisonment for three years with a fine of Rs.5000/- with default stipulation. Smita Bhand of our promoter group was also implicated, however, charges against her were not proved. Mr Suhas Bhand had filed an appeal in the Hon'ble Madhya Pradesh High Court against the said conviction and vide Order dated 24.06.2019 Mr. Suhas Bhand's sentence was suspended, and he was granted bail. However, the said appeal is pending disposal. The litigation is related to our promoter group and not against any of the Promoters, Directors or the Company or any of its subsidiaries.

**E. LITIGATION INVOLVING OUR GROUP COMPANY**

**Litigation against Our Group Company**

- (i) **All criminal proceedings:**

NIL

- (ii) **All actions by regulatory authorities and statutory authorities:**

NIL

- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the group company in the last five financial years including outstanding action:**

NIL

- (iv) **Claims related to Direct and Indirect taxes:**



**Five Elements Environment Ventures Private Limited :**

**Direct Tax Proceeding:**

**Income Tax**

| TAX TYPE     | YEAR    | NOTICE TYPE | AMOUNT AS PER NOTICE/ORDER | STATUS  |
|--------------|---------|-------------|----------------------------|---|
| Income Tax   | 2014-15 | 143(1)(a)   | 27,324                     | This amount has been paid as on 14.08.2023. It is still pending to be deleted from the website. |
| <b>Total</b> |         |             | <b>27,324</b>              |   |

**Tax Deducted at Source (TDS)**

| Sr. No       | Particulars | Total Default (in Rs.) | Status   |
|--------------|-------------|------------------------|--|
| 2.           | FY 2019-20  | 2,660                  | Rectification has been applied online and the same is still under process. |
| <b>Total</b> |             | <b>2,660</b>           |  |

**Indirect Tax Proceeding:**

| YEAR         | NOTICE TYPE | AMOUNT (RS) AS PER NOTICE/ORDER | STATUS                    |
|--------------|-------------|---------------------------------|---------------------------|
| FY 2019-2020 | GST         | 2,283                           | Payment is under process. |
| <b>Total</b> |             | <b>2,283</b>                    |                           |

- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**  
NIL
- Litigation by Our Group Company**
- (i) **All criminal proceedings;**  
NIL
- (ii) **All actions by regulatory authorities and statutory authorities;**  
NIL
- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the Group Company in the last five financial years including outstanding action;**  
NIL
- (iv) **Claims related to direct and indirect taxes:**  
NIL
- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**  
NIL



**F. LITIGATION INVOLVING OUR SUBSIDIARY**

**Litigation against Our Subsidiary**

- (i) **All criminal proceedings;**  
NIL
- (ii) **All actions by regulatory authorities and statutory authorities;**  
a. Several notices have been directed against Bangalore SPV and Pune SPV, refer to point 1 and 2 under the heading regulatory bodies enquiry into West Coast Ventures (India) Private Limited (WCV) mentioned above under pending litigation involving our Company.
- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the Subsidiaries in the last five financial years including outstanding action;**  
NIL
- (iv) **Claims related to direct and indirect taxes:**

***ORGANIC WASTE INDIA PRIVATE LIMITED:***

**Direct Tax Proceeding**

**Income Tax**

| ENTITY NAME | YEAR    | NOTICE TYPE      | AMOUNT AS PER NOTICE/ORDER | STATUS  |
|-------------|---------|------------------|----------------------------|---|
| OWIPL       | 2018-19 | Assessment order | 2,10,180                   | Appeal filed as on 03.05.2021. Matter is still pending. |

**Tax Deducted at Source (TDS)**

| Sr. No       | Particulars | Total Default (in Rs.) | Status   |
|--------------|-------------|------------------------|--|
| 1.           | FY 2010-11  | 2,010                  | Rectification has been applied online and the same is still under process. |
| 2.           | FY 2014-15  | 22,230                 | Rectification has been applied online and the same is still under process. |
| <b>Total</b> |             | <b>24,240</b>          |  |

***SOLAPUR BIO-ENERGY SYSTEMS PRIVATE LIMITED (SBESPL):***

The following tax proceedings are pending:

| ASSESSMENT YEAR | NOTICE TYPE      | AMOUNT AS PER NOTICE/ORDER | STATUS   |
|-----------------|------------------|----------------------------|--|
| 2014-15         | Assessment order | 14,31,260                  | Appeal has been filed on 27.01.2017. Outcome is still awaited. |
| 2015-16         | Assessment order | 4,11,81,488                | Appeal filed as on 29.04.2022 against                          |



|              |                  |                    |  |
|--------------|------------------|--------------------|--|
|              |                  |                    | order received as on 31.03.2022 and parallelly, rectification application made on 06.04.2022. No outcome yet on both application |
| 2018-19      | Assessment order | 148                | The demand has been paid as on 12.08.2023 and the same is pending to be deleted from the website.                                |
| <b>TOTAL</b> |                  | <b>4,26,12,896</b> |  |

## MEERUT BIOENERGY SYSTEMS PRIVATE LIMITED

### Direct Tax Proceeding:

#### Tax Deducted at Source:

| Sr. No       | Particulars | Total Default (in Rs.) | Status   |
|--------------|-------------|------------------------|--|
| 1.           | FY 2017-18  | 740                    | Rectification has been applied online and the same is still under process. |
| 2.           | FY 2018-19  | 960                    | Rectification has been applied online and the same is still under process. |
| <b>Total</b> |             | <b>1,700</b>           |  |

#### (v) Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:

##### a. SOLAPUR BIO-ENERGY SYSTEMS PRIVATE LIMITED (SBESPL) VS MICRO & SMALL ENTERPRISE FACILITATION COUNCIL, PUNE CIVIL MISC. APPLICATION NO. 757/2021

SBESPL is a part of Organic Recycling Systems (ORS) initiative to promote green field projects in environment and waste management sector. SBESPL sub contracted Mahalaxmi Electromech which is a private limited Company engaged in providing industrial consultancy services to complete the grid connectivity/evacuation work for the Project in Solapur. Despite numerous reminders, the contractor had significantly put off finishing the work that was contracted out to him. The total contract value was Rs.12,771,097/-out of which company had paid a sum of Rs.8,660,329/-against actual work done. Since the sub-contractor continued to delay completion of the work awarded to it under the contract, SBESPL levied a penalty of Rs.2,554,219/-in accordance with the terms of the contract. However, one of the partners of the Sub-Contractor did not agree to the penalty and Mahalaxmi Electromech filed a claim on 20.05.2015 (case no. 124/2015) of Rs.7,199,049/-(RS. 4,446,800/-plus interest RS. 2,752,249/-) before the Micro,Small and Medium Enterprises Council (MSME) Pune. The council ruled that the dispute be resolved through mutual consent. The settlement meeting took place on July 23, 2016, but it was unsuccessful despite SBESPL making a fair offer. Then after, the Hon'ble Facilitation Council heard the matter and ordered in favor of the Petitioner. It directed SBESPL to pay an amount of Rs.41,61,955. The Award was challenged before the District Court, Pune. Mahalaxmi sought directions from the court for SBESPL to make the mandatory deposit as envisaged under Section 19 of the MSME Act. The Learned District Judge ordered on 30.06.2022 the application was tenable and cannot be dismissed for alleged non-compliance.

SBESPL urged before the court that the principal contention was that since Mahalaxmi was not registered as an MSME at the time of award of the contract, it could not avail benefits under the provisions of the MSME Act, including the provisions with regard to Mandatory pre-deposit. The Learned District Judge has upheld the contentions of SBESPL and has passed a detailed order, prima facie holding that since Mahalaxmi was not registered under MSME Act, it could not insist on pre-deposit. A copy of the order could be provided. By virtue of a statement made in court by Mahalaxmi Electromech Lawyers, Execution proceedings have also been stayed though no order in this regard was passed.



### **Litigation by Our Subsidiary**

- (i) **All criminal proceedings:**  
NIL
- (ii) **All actions by regulatory authorities and statutory authorities:**  
NIL
- (iii) **Disciplinary action including penalty imposed by SEBI or stock exchanges against the Subsidiaries in the last five financial years including outstanding action:**  
NIL
- (iv) **Claims related to direct and indirect taxes:**  
NIL
- (v) **Other pending litigations - As per the policy of materiality defined by the board of directors of our Company:**

**a. M/s SOLAPUR BIO-ENERGY SYSTEMS PRIVATE LIMITED (SBESPL) VS ELIXIR ENGINEERING PVT LTD.**

ORS owns a wholly owned Group company called Solapur Bio-Energy Systems Private Limited (hence referred to as SBESPL). SBESPL was incorporated specifically to establish and carry out the Municipal Solid Waste Management project at Solapur. After submitting a bid to complete the pipe and fitting work for the aforementioned project, Elixir Engineering Private Limited (hereinafter referred to as Elixir), was chosen to complete the work. According to the Contract's terms, time was the essence of the contract. But the Respondent (Elixir) didn't follow the deadlines, and the task it was subcontracted to was only finally finished in December 2012. Elixir falsely claimed that the work it had been finished and raised invoices even though it was still unfinished. To finish the job, a respondent representative secretly entered the site during off-hours, in a prohibited area that had been demarcated by SBESPL and operated a welding machine. The actions of the Respondent's representative caused a blast at the construction site leading to death of two people and injury to three others. Thereby, the matter for arbitration where we claimed a total sum of Rs. 9,46,36,233 in lieu of cost of damages and reconstruction, compensation paid to the families of the affected, delayed work damages and total loss from non-production of the Digester. The evidence in the matter has been closed and the matter is now posted for final arguments. The Arbitration proceedings are to resume after the matter is heard on merits. Both, Claimant and Respondent have filed their respective written submissions. Since there were several parties effected by this incident, several ancillary cases were also filed –

- State of Maharashtra vs Ramnaresh Ramswaroop Mathur & ors.(570/2013)
- State of Maharashtra v. Occupier of SBESPL, (S.T.O NO – 1145/2013)
- Elixir v. SBESPL(31/2013)
- Zaibunissa Begum & Anr v. Elixir Engineering Pvt. Ltd. & Ors, [E.C.A No 190/2014]

### **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 210 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

### **OUTSTANDING DUES TO CREDITORS**

As of March 31, 2023, we had 163 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on March 31, 2023 was ₹ 1,301.19 Lakhs, on a consolidated basis.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed Rs. 50.00 Lakhs, which is 65.92 % of the total trade payables of our Company as per the Restated Consolidated Financial Statements of our Company for the year ended March, 2023 included in this Draft Prospectus, shall be considered as ‘material’. Accordingly, in this regard, the creditors to whom an amount exceeding Rs. 50 Lakhs was owed as on March 31, 2023, were considered ‘material’ creditors. Based on the above, there are two material creditor(s) of our Company as on March 31, 2023, to whom an aggregate amount of Rs. 857.73. Lakhs was outstanding on such date.





Details of outstanding dues owed as at March 31, 2023 to MSMEs and other creditors are set out below.

| <b>Creditors</b> | <b>Number of Cases</b> | <b>Amount due (in Rs. Lakhs)</b> |
|------------------|------------------------|----------------------------------|
| MSMEs            | 22                     | 995.47                           |
| Other Creditors  | 141                    | 305.72                           |

The details pertaining to amounts due towards the material creditors are available on the website of our Company at (<https://organicrecycling.co.in/>)

Information provided on the website of our Company is not a part of this Draft 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, (<https://organicrecycling.co.in/>), would be doing so at their own risk.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of sustainable technology provider to generate clean fuel from various waste streams, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “Key Industry Regulations and Policies” on page no. 103 of this Draft Prospectus.

The Company has its business located at:

**Registered Office:** Office No. 1003, 10<sup>th</sup> Floor, The Affaires, Plot No. 9, Sector No. 17, Sanpada, Navi Mumbai, Mumbai City 400705.

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the chapter titled ‘Objects of the Issue’ beginning on page no. 58 of this Draft Prospectus to the extent that such licenses/approvals may be required for the same.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on October 4, 2022, authorized the Issue, subject to the approval of the shareholders and such 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/Annual General Meeting held on October 18, 2022 authorized the Issue.
3. The Draft Prospectus has been approved and adopted by the Board of Directors of our Company in their meeting held on October 26, 2022

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

#### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated July 6, 2022 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Maashitla Securities Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated July 6, 2022 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE0MIO01019



## I. ISSUER COMPANY

### INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated August 29, 2008, issued by the Registrar of Companies, Mumbai, in the name of “**ORGANIC RECYCLING SYSTEMS PRIVATE LIMITED**”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on 29<sup>th</sup> September 2022 by the Registrar of Companies, Mumbai in the name of “**ORGANIC RECYCLING SYSTEMS LIMITED**”.
3. The Corporate Identification Number (CIN) of the Company is U40106MH2008PLC186309

### APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

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:

| Sr. No. | Description  | Authority  | Registration No./ Reference No./ License No. | Date of Issue  | Date of Expiry |
|---------|--|--|--|--|----------------|
| 1.      | Registration Certificate of Establishment (under Rule 5 of Maharashtra Shops and Establishments Act, 2017) | Department of Labour, Government of Maharashtra                      | 2010200313798451<br><br>2310200317310081     | Original date of issue January 22, 2020<br><br>Revised: January 31, 2023 | Perpetual      |
| 2.      | Importer Exporter Code (IEC)   | Ministry of Commerce and Industry, Government of India               | AABCO0867H                                   | June 26, 2023  | Perpetual      |
| 3.      | Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit     | Ministry of Micro, Small and Medium Enterprises, Government of India | UDYAM-MH-33-0033124                          | November 27, 2020  | NA             |



**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

| Sr. No. | Authorisation granted   | Issuing Authority   | Registration No./Reference No./License No. | Date of Issue   | Validity  |
|---------|---|---|--|---|-----------|
| 1.      | Permanent Account Number (PAN)  | Income Tax Department, Government of India  | AABCO0867H                                 | Original Issue Date: August 29, 2008<br><br>October 14, 2022    | Perpetual |
| 2.      | Tax Deduction Account Number (TAN)  | Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India | MUM004904E                                 | February 20, 2010   | Perpetual |
| 3.      | Goods and Service Tax Identification Number (GSTIN)   | Government of India   | 27AABCO0867H1 ZE                           | Original date of Issue : September 24, 2017<br><br>July 4, 2023 | NA        |
| 4.      | Goods and Service Tax Identification Number (GSTIN)- Branch Office, Kerala.   | Government of India   | 32AABCO0867H1 ZN                           | Date of Issue of Certificate: March 23, 2021                    | NA        |
| 5.      | Professional Tax Enrolment Certificate (PTEC)<br><br>(under sub section (2) or sub section (2A) of Section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975) | Profession Tax Officer, Thane   | 99331692441P                               | July 20, 2009   | NA        |
| 6.      | Professional Tax  | Profession Tax Officer, Thane   | 27685218077P                               | July 20, 2009   | NA        |



| Sr. No. | Authorisation granted   | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---------|---|-------------------|--|---------------|----------|
|         | Registration Certificate (PTRC)<br><br>(under sub section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975) |                   |  |               |          |

### LABOUR RELATED APPROVALS/REGISTRATIONS

| Sr. No. | Description  | Authority  | Registration No./Reference No./License No.         | Date of Issue                         |
|---------|--|--|--|---------------------------------------|
| 1       | Employees Provident Fund Registration<br><br>(under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Employees Provident Fund Organisation, Ministry of Labour, Government of India   | MH/VASHI/119<br>179/4180                           | January 15, 2010                      |
| 2       | Registration for Employees State Insurance<br><br>(under Employees State Insurance Act, 1948)                          | Asst. Director, Employees State Insurance Corporation, Maharashtra<br><br>Employees State Insurance Corporation, Delhi | 34000166610001<br>099<br><br>10340166610011<br>099 | December 15, 2010<br><br>June 3, 2020 |
| 3       | Certificate under Maharashtra Labour Welfare Board   | Welfare Commissioner Maharashtra Labour Welfare Board  | THTHAO00013<br>4                                   | January 20, 2017                      |



## INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

### TRADEMARKS

| Sr. No | Trademark    | Trademark Type | Class | Applicant                                 | Application No. | Date of Application | Validity/Renewal | Registration status |
|--------|--------------|----------------|-------|---|-----------------|---------------------|------------------|---------------------|
| 1      | DRYAD        | Word           | 42    | Organic Recycling Systems Private Limited | 1990207         | July 07, 2020       | 10 years         | Registered          |
| 2      | Greendeavour | Device         | 41    | Organic Recycling Systems Private Limited | 2028176         | September 24, 2020  | 10 years         | Registered          |

### PATENTS

| Sr. No. | Patent No. | Patent  | Patentee   | Filing date  | Validity | Status     |
|---------|------------|---|--|--------------|----------|------------|
| 1       | 399317     | “Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein”  | <ul style="list-style-type: none"> <li>Mr. Suhas Bhand</li> <li>Organic Recycling Systems Private Limited</li> </ul> | June 7, 2014 | 20 years | Registered |
| 2       | 438004     | “Integrated process for pre-treatment and anaerobic digestion of waste and apparatus used therein”<br><br>Patent for the MARUT Drum and allied equipment as part of above parent patent | <ul style="list-style-type: none"> <li>Mr. Suhas Bhand</li> <li>Organic Recycling Systems Private Limited</li> </ul> | June 7, 2014 | 20 years | Registered |



### **PENDING APPROVALS:**

1. Company is in process for name and address change in the above licenses and approvals.

### **MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

N.A

### **II. MATERIAL SUBSIDIARY COMPANY**

#### **1. SOLAPUR BIOENERGY SYSTEMS PRIVATE LIMITED**

**Registered Office:** Office No-1002, 10<sup>th</sup> Floor, The Affaires, Plot No. 9 Sector No. 17, Sanpada, Navi Mumbai Thane Mh 400705

**Manufacturing Unit/Factory:** Kachara Depot, Tuljapur Road, Solapur- Maharashtra 413002.

### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated May 12, 2005, issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, in the name of “**SOLAPUR BIOENERGY SYSTEMS PRIVATE LIMITED**”
2. The Corporate Identification Number (CIN) of the Company is U40108MH2005PTC298301

We require various approvals and/ or licenses under various rules and regulations to conduct the Subsidiary Company’s business. Some of the material approvals required by us to undertake our business activities are set out below:

| <b>Sr. No.</b> | <b>Description</b>   | <b>Authority</b>   | <b>Registration No./<br/>Reference No./<br/>License No.</b> | <b>Date of Issue</b> | <b>Date of Expiry</b> |
|----------------|--|--|---|----------------------|-----------------------|
| 1.             | District Industrial Centre Licence   | Directorate of Industries, Maharashtra Government                    | 270301200875  | July 19, 2012        | NA                    |
| 2.             | Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit | Ministry of Micro, Small and Medium Enterprises, Government of India | UDYAM-MH-33-0012869   | September 19, 2020   | NA                    |
| 3.             | Self Manufacture (Commissionerate State Level)   | Director Of Agriculture (Input & Quality Control) Pune               | LCFD100286  | October 01, 2020     | September 30, 2025    |
| 4.             | Factory License under Factories Act, 1948  | Directorate of Industrial Safety and Health                          | 122603510300000   | September 20, 2022   | December 31, 2026     |



**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

| Sr. No. | Authorisation granted   | Issuing Authority   | Registration No./Reference No./License No. | Date of Issue   | Validity |
|---------|---|---|--|---|----------|
| 1       | Permanent Account Number (PAN)  | Income Tax Department, Government of India  | AAMCS1818B                                 | May 12, 2005  | NA       |
| 2       | Tax Deduction Account Number (TAN)  | Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India | MUMS62523G                                 | February 18, 2009   | NA       |
| 3       | Goods and Service Tax Identification Number (GSTIN)   | Government of India   | 27AAMCS1818B1ZI                            | Original date of Issue :<br>Spetember 25, 2017<br><br>July 27, 2023 | NA       |
| 4       | Professional Tax Enrolment Certificate (PTEC)<br><br>under sub section 2 or sub section (2A) of Section 5 of the Maharashtra State Professional Tax, Act, 1975) | Profession Tax Officer, Thane   | 99591722562P                               | January 20, 2010  | NA       |
| 5       | Professional Tax Registration Certificate (PTRC)<br><br>(under sub-section (1) of section 5 of Maharashtra State Professional Tax, Act, 1975)                   | Profession Tax Officer, Department of Sales Tax Government of Maharashtra   | 27470738781P                               | January 04, 2012  | NA       |





### **LABOUR RELATED APPROVALS/REGISTRATIONS**

| <b>Sr. No</b> | <b>Description</b>   | <b>Authority</b>   | <b>Registration No./Reference No./License No.</b> | <b>Date of Issue</b> |
|---------------|--|--|---|----------------------|
| 1.            | Employees Provident Fund Registration<br>(under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Employees Provident Fund Organisation, Ministry of Labour, Government of India | MH/SLP/106201                                     | June 28, 2012        |
| 2.            | Registration for the Employees State Insurance under Employees State Insurance Act, 1948.                          | Employees State Insurance Corporation  | 33000437290000<br>999                             | June 04, 2012        |
| 3.            | Certificate of registration under Contract Labour (Regulation and Abolition) Act, 1970                             | Registering Officer under the Contract labour                                  | 17311007100091<br>48                              | February 11, 2017    |

### **ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

| <b>Sr No.</b> | <b>Description</b>                                     | <b>Authority</b>                                      | <b>Registration / Letter Number</b> | <b>Date of Certificate</b> | <b>Date of Expiry</b> |
|---------------|--|---|-------------------------------------|----------------------------|-----------------------|
| 1             | Authorisation under Solid Waste Management Rules, 2016 | Member Secretary, Maharashtra Pollution Control Board | BO/SWMA/B-Ca-0258                   | May 28, 2018               | December 31, 2022*    |

- **The same has been applied for renewal in December 2022.**

### **INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

The Subsidiary Company has confirmed that no applications have been made nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

### **PENDING APPROVALS:**

N.A

### **MATERIAL LICENSES / APPROVALS FOR WHICH THE SUBSIDIARY COMPANY IS YET TO APPLY**

N.A



## 2. ORGANIC WASTE INDIA PRIVATE LIMITED

**Registered Office:** Office No-1002, 10<sup>th</sup> Floor, The Affaires, Plot No. 9 Sector No. 17, Sanpada, Navi Mumbai Thane Mh 400705

**Manufacturing Unit/Factory:** NA

### INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated June 24 1997, issued by the Registrar of Companies, Madhya Pradesh Gwalior, in the name of “Organic Waste India Private Limited”
2. The Corporate Identification Number (CIN) of the Company is U40108MP1997PTC012063

### APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

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:

| Sr. No. | Description                               | Authority                                    | Registration No./<br>Reference No./<br>License No. | Date of Issue     | Date of Expiry    |
|---------|---|--|--|-------------------|-------------------|
| 1.      | Registration Certificate of Establishment | Office of Senior Labour Inspector, Bangalore | 31/20/CE/0332A/2010                                | March 21, 2014    | December 31, 2018 |
| 2.      | Certificate of Importer and Exporter Code | Asst. Director General of Foreign Trade      | 1110005962   | December 30, 2010 | Expired           |



**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

| Sr No. | Description  | Authority   | Registration No./ Reference No. / License No. | Date of Issue                            | Validity                            |
|--------|--|---|---|--|-------------------------------------|
| 1      | Permanent Account Number (PAN)                           | Income Tax Department, Government of India  | AABCO0629D                                    | August 24, 2004                          | NA                                  |
| 2      | Tax Deduction Account Number (TAN)                       | Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India | MUMO05181B                                    | January 09,2010                          | NA                                  |
| 3      | Registration Certificate under Service Tax               | Ministry of Finance – Department of Revenue (Central Board of Excise And Customs                                      | AABCO0629D001                                 | Date of Original Issue: October 26, 2012 | Act is no more applicable           |
| 4      | Registration Certificate under Value Added Tax Act, 2003 | The State Government of Karnataka   | 29440574107                                   | July 19, 2010                            | Act is no more applicable           |
| 5      | Central Sales Tax (CST) (CST Act, 1956)                  | Government of India   | 29440574107                                   | July 28, 2010                            | Act is no more applicable           |
| 6      | Goods and Service Tax Identification Number (GSTIN)      | Government of India   | 27AABCO0629D1ZU                               | July 1, 2017                             | Cancelled Effective from 10/04/2019 |
| 7      | Professional Tax Enrolment Certificate (PTEC)            | Government of Maharashtra   | 99591722562P                                  | January 20, 2010                         | NA                                  |
| 8      | Professional Tax Registration Certificate (PTRC)         | Government of Maharashtra   | 27695282334P                                  | April 01, 2014                           | Cancelled                           |



### **LABOUR RELATED APPROVALS/REGISTRATIONS**

| <b>Sr. No.</b> | <b>Description</b>   | <b>Authority</b>   | <b>Registration No./Reference No./License No.</b> | <b>Date of Issue</b> |
|----------------|--|--|---|----------------------|
| 1              | Employees Provident Fund Registration<br>(under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Employees Provident Fund Organisation,<br>Ministry of Labour,<br>Government of India | MHBAN1014476                                      | August 26, 2014      |

### **INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

The Subsidiary Company has confirmed that no applications have been made nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

#### **PENDING APPROVALS:**

N.A

#### **MATERIAL LICENSES / APPROVALS FOR WHICH THE SUBSIDIARY COMPANY IS YET TO APPLY**

N.A



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on October 4, 2022 which was subject to the approval of shareholders through special resolution. The shareholders of our Company have approved this issue vide a Special Resolution passed at an Extra Ordinary General Meeting held on October 18, 2022 at the Registered Office of our Company. This Draft Prospectus has been approved by our Board pursuant to a Resolution dated October 26 2022.

We have received In- Principal approval from BSE Limited vide their letter dated [•].

### Prohibition by SEBI, RBI and governmental authorities

We confirm that our Company, our Promoters, our Promoters Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoters or directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoters or directors.

### Prohibition with respect to wilful defaulters

Neither our Company, our Promoters, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters as defined by the SEBI ICDR Regulations, 2018.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Prospectus, there are no such significant beneficial owners in our Company.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Offer in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less or equal to ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "BSE").

### We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said



underwriting please refer to section titled "**General Information – Underwriting**" beginning on page no. 39 of this Draft Prospectus.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working 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 eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the BSE. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Issue**" beginning on page no. 39 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities and has entered into an agreement with both the depositories.
2. Our Company has a website i.e. <https://organicrecycling.co.in/>

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the BSE:

3. There has been no change in the promoter's of the Company in the preceding one year from date of filing application to BSE for listing on SME segment. We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:

Our Company was incorporated as Organic Recycling Systems Private Limited, a Private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Mumbai on August 29, 2008, The Company converted into Public Company and changed its name from Organic Recycling Systems Private Limited to Organic Recycling Systems Limited on 29<sup>th</sup> September 2022.

1. The post issue paid up equity capital of the company will be 76,99,275 shares of face value of Rs 10/- aggregating up to Rs. 7,69,92,750 which is less than Rs. 25 Crores.
2. The Company has a track record of atleast 3 years as on the date of filling Draft Prospectus.
3. The Company has positive cash accruals (earnings before depreciation and tax) from operations in any one of the last three financial years preceding the application and its net-worth is positive.

| Particular                           | Year ending March 31, 2023 | Year ending March 31, 2022 | Year ending March 31, 2021 |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Net worth                            | 2,550.07                   | 808.86                     | 1,343.88                   |
| Earnings before depreciation and tax | 961.50                     | 61.34                      | 195.47                     |



4. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the Company except as disclosed in the Chapter 'Outstanding Litigations' on page no. 216 of this Draft Prospectus.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company except as disclosed in the Chapter 'Outstanding Litigations' on page no. 216.
8. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT 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 PROSPECTUS. THE LEAD MANAGER ARIHANT CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT 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 PROSPECTUS, THE LEAD MANAGER, ARIHANT CAPITAL MARKETS LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, ARIHANT CAPITAL MARKETS LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 25, 2022 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 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft 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 <https://organicrecycling.co.in/> would be doing so at his or her own risk.



## CAUTION

The Lead Manager accepts 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 Lead Manager 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 Lead Manager 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 Underwriter 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 Lead Manager 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.**

## Price Information and the track record of the past Issues handled by the Lead Manager

The Lead Manager has not handled any Public Issues during the past three financial years and hence not applicable.

## 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 Rs. 2,500 Lakh, pension funds with minimum corpus of Rs.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 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 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 Mumbai 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 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 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 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 Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited 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 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 Lead Manager 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 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 SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

#### **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.

#### **LISTING**

Application will be made to the BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited 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 bidders in pursuance of the Prospectus. If such money is not repaid within 8 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 8 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 Limited 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 68 A of the Companies Act, which is reproduced below:*

*“Any person who:*

- makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

## **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) Lead Manager, 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 final prospectus to ROC) and will be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Prospectus with BSE.

## **EXPERT OPINION**

Except for the reports in the section titled **“Financial Information of the Company and “Statement of Tax Benefits”** on page no. 142 and 68 respectively of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **FEES, BROKERAGE AND SELLING COMMISSION PAYABLE**

The total fees payable to the Lead Manager will be as per the (i) Agreement dated October 19, 2022 with the Lead Manager, (ii) the Underwriting Agreement dated March 30, 2023 with the Underwriter and (iii) the Market Making Agreement dated March 30, 2023 with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

## **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated October 19, 2022 a copy of which is available for inspection at our Company’s Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE (5) YEARS**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.



## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Other than as detailed under chapter titled ‘**Capital Structure**’ beginning on page no. 47 of the Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **UNDERWRITING, 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 since incorporation.

## **PREVIOUS CAPITAL ISSUE DURING THE PROVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

There are no listed subsidiaries, group companies or associate companies and hence not applicable.

## **PERFORMANCE VIS-À-VIS OBJECTS**

Our Company is 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. Therefore, data regarding promise versus performance is not applicable to us.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Draft Prospectus, our Company has outstanding redeemable preference shares as detailed in Chapters ‘**Capital Structure**’ on page no. 47 and ‘**Financial Statements**’ on page no. 142. The Company has no outstanding debentures or bonds as on the date of the Draft Prospectus.

## **PARTLY PAID-UP SHARES**

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

## **OUTSTANDING CONVERTIBLE INSTRUMENTS**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Draft 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 Company has appointed Maashitla Securities Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.



The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business 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

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES

### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders 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 15 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 Ms. Zinal Shah as the Company Secretary and Compliance Officer and may be contacted at the following address:

#### ***Organic Recycling Systems Limited***

Address: Office No-1003, 10<sup>th</sup> Floor, The Affaires, Plot No. 9 Sector No. 17, Sanpada, Navi Mumbai Thane Mh400705  
Tel: +022-41702222

Email: [cs@organicrecycling.co.in](mailto:cs@organicrecycling.co.in):

Website: <https://organicrecycling.co.in/>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as nonreceipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere.

For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Board by a resolution on October 4, 2022 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "**Our Management**" beginning on page no. 120 of this Draft Prospectus.

### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY**

We do not have any listed company under the same management.



## **TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "**Statement of Tax Benefits**" beginning on page no. 68.

## **CAPITALIZATION OF RESERVES OR PROFITS**

Save and except as stated in "**Capital Structure**" on page no. 47 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

## **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

## **SERVICING BEHAVIOR**

There have been instances of defaults in the past in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

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 or superannuation. Except as disclosed under sections titled "**Our Management**"; and "**Related Party Transactions**" beginning on page no. 120 and 195 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.



## ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, 2013, SCRA, SCRR, ICDR Regulations, Listing Regulations, our MoA and AoA, the terms of this Draft Prospectus, the prospectus, the abridged draft prospectus, Application Form, CAN, the Revision Form, Allotment Advices, and other terms and conditions as may be incorporated in the documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/ or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that in terms of Regulation 256 of the ICDR Regulations read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the Applicants applying in this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of Allotment by signing the Application Forms. 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 Applicant.*

#### **Authority for the Present Issue**

This Issue has been authorized by a resolution of our Board passed at their meeting held on October 18, 2022 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 EGM of our Company held with shorter notice on October 18, 2022.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MoA and AoA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, 'Main Provisions of Article of Association', beginning on page no. 278 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the AoA of our Company, the provisions of the Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013 for further details in relation to dividends, please refer to sections titled, 'Dividend Policy' & 'Main Provisions of Article of Association', beginning on page no. 141 and 278 respectively, of this Draft Prospectus.

#### **Face Value and Issue Price**

The face value of the share of our Company is ₹ 10 per equity share and the Issue price is ₹ 200 per Equity Share (including premium of ₹ 190 per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Section titled, 'Basis for Issue Price', beginning on page no. 64 of this Draft Prospectus. 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 ICDR Regulations**

Our Company shall comply with all requirements of the ICDR Regulations, as amended time to time.

#### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.



## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the AoA, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared.
- Right to receive annual reports and notices to members.
- Right to attend general meetings and exercise voting rights, unless prohibited by law.
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act, 2013.
- Right to receive Offer for rights shares and be allotted bonus shares, if announced.
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied.
- Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the Listing Regulations and the MoA and AoA of our Company.

For further details on the main provision of our Company's AoA dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation/ splitting, etc., please refer to Section titled, '*Main Provisions of Articles of Association*', beginning on page no. 278 of this Draft Prospectus.

## **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 600 Equity Shares and the same may be modified by the SME Platform of BSE Limited from time to time by giving prior notice to investors at large.

Allocation and Allotment of Equity Shares through this Draft Prospectus will be done in multiples of 600 Equity Shares subject to a minimum Allotment of 600 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## **Minimum Number of Allottees**

In accordance with the Regulation 268 of ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no Allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 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.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the First/ Sole Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of Sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.





In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board of Directors, elect either: To register himself or herself as the holder of the Equity Shares; or to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Applicants require changing the nomination, they are requested to inform their respective Depository Participant.

### Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. 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.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

### Issue Program

An indicative timetable in respect of the Issue is set out below:

| Event  | Indicative Date |
|--|-----------------|
| Issue Opens on   | ●               |
| Issue Closes on  | ●               |
| Finalization of Basis of Allotment with the Designated Stock Exchange                                    | ●               |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account* | ●               |
| Credit of Equity Shares to Demat accounts of Allottees   | ●               |
| Commencement of trading of the Equity Shares on the Stock Exchange                                       | ●               |

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are



*unblocked. For the avoidance of doubt, the provisions 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 no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.*

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

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 Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Investors on Issue Closing Date maybe extended in consultation with the Lead Manager, Registrar and Share Transfer Agent 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 Application Forms on the Issue Closing Date, Applicants are advised to submit their Applications 1 day prior to the Issue Closing Date and, in any case, not later than 3:00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public Issue, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software/ hardware system or otherwise.

In accordance with ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Investors, 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 Application Form, for a particular Applicant, the details as per the file received from BSE SME 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 Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if our Company does not receive the minimum subscription in the Issue or subscription level falls below aforesaid minimum subscription after the Issue Closing Date due to withdrawal of Applications or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with SEBI Regulations, the Companies Act, 2013 and applicable laws including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

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.



### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 600 Equity 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 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.

### **Restrictions on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the Section titled, '*Capital Structure*', beginning on page no. 47 of this Draft Prospectus, and except as provided in the AoA of our Company, there are no restrictions on transfer and transmission and on their consolidation/ splitting of Equity Shares. For further details, please refer to the Section titled, '*Main Provisions of Articles of Association*', beginning on page no. 278 of this Draft Prospectus.

### **Allotment of Equity Shares in Dematerialized Form**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form for all Applicants. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated July 6, 2022, between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated July 6, 2022, between CDSL, our Company and Registrar to the Issue.

### **Migration to Main Board**

In accordance with the BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of BSE Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulation, our Company may migrate to the main board of BSE from the BSE start-up segment under SME Platform of BSE Limited on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores 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 favour 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), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we 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 promoter shareholders in favour of the proposal amount to at least twotimes the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE Limited, wherein the Market Maker to this Issue is shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of 3 years from the date of listing on the SME Platform of BSE Limited. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, '*General Information - Details of the Market Making Arrangements for this Issue*', beginning on page no. 39 of this Draft Prospectus.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company's post issue face value capital is less than ten crore rupees. Our Company shall issue equity shares to the public and propose to list the same on the SME Exchange, in this case being the SME Platform of BSE Limited. For further details regarding the salient features and terms of such this issue, please refer to chapter titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page no. 251 and 259 respectively of this Draft Prospectus.

The present issue of 25,00,200 Equity Shares of face value of ₹ 10 each fully paid for cash at price of ₹ 200 per Equity Share (including a premium of ₹ 190 per Equity Share) aggregating up to ₹ 5,000.40 Lakh. The Issue comprises a reservation of 1,30,200 Equity Shares of face value of ₹ 10 each fully paid for cash at price of ₹ 200 each aggregating to ₹ 260.40 Lakh for subscription by the designated Market Maker (Market Maker Reservation Portion) and a Net Issue to Public of up to 23,70,000 Equity Shares of face value of ₹ 10 each fully paid for cash at price of ₹ 200 per share aggregating to ₹ 4,740.00 Lakh (the Net Issue). The Issue and the Net Issue will constitute 32.47 % and 30.78% respectively of the post issue paid up equity share capital of the company.

| Particulars of the Issue  | Net Issue to Public*  | Market Maker Reservation Portion  |
|---|---|---|
| <b>Number of Equity Shares</b>  | 23,70,000 Equity Shares   | 1,30,200 Equity Shares  |
| <b>Percentage of Issue Size available for allocation</b>                        | 94.79% of the Issue Size  | 5.21% of the Issue Size   |
| <b>Basis of Allotment/ Allocation if respective category is Over-subscribed</b> | Proportionate subject to minimum allotment of 600 Equity Shares and further allotment in multiples of 600 Equity Shares each.<br><br>For further details please refer section explaining the Basis of Allotment in the GID.   | Firm Allotment  |
| <b>Minimum Application Size</b>   | <b><u>For Other than Retail Individual Investors:</u></b><br>Such number of Equity Shares in multiples of 600 Equity Shares such that the Application Value exceeds ₹ 2.00 Lakh.<br><br><b><u>For Retail Individuals Investors:</u></b><br>600 Equity Shares at an Issue Price of ₹ 200 per equity share.   | 1,30,200 Equity Shares of Face Value ₹ 10 each  |
| <b>Maximum Application Size</b>   | <b><u>For Other than Retail Individual Investors:</u></b><br>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.<br><br><b><u>For Retail Individuals Investors:</u></b><br>Such number of Equity Shares at an Issue Price of ₹ 200 per equity share. Such that the applicant value does not exceeds ₹ 2.00 Lakh. | 1,30,200 Equity Shares of Face Value ₹ 10 each  |
| <b>Trading Lot</b>  | 600 Equity Shares   | 600 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| <b>Mode of Application</b>  | <b><u>For Other than Retail Individual Investors:</u></b><br><br>All the applicants shall make the application (Online or Physical) through ASBA process<br><br><b><u>For Retail Individuals Investors:</u></b><br>Through the ASBA Process or by using UPI ID for payment  | Through ASBA Process Only   |
| <b>Mode of Allotment</b>  | Compulsorily in dematerialized form.  |   |



| Particulars of the Issue | Net Issue to Public*  | Market Maker Reservation Portion |
|--------------------------|---|----------------------------------|
| <b>Terms of Payment</b>  | <ul style="list-style-type: none"> <li>The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two day of the closure of the issue.</li> <li>In case of UPI as an alternate mechanism, Application amount shall be blocked at the time of confirmation of mandate collection request by applicant.</li> </ul> |                                  |

\*Since present issue is a fixed price issue, the allocation in the net issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- (a) Minimum fifty per cent to retail individual investors; and
- (b) Remaining to:
- individual applicants other than retail individual investors; and
  - other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

Explanation: If the retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further information on the Allocation of Net Issue to Public, please refer to chapter titled “The Issue” beginning on page no. 34 of this Draft Prospectus.

## ISSUE PROGRAMME

|                     |  |
|---------------------|--|
| <b>OPENING DATE</b> |  |
| <b>CLOSING DATE</b> |  |

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.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the Physical Application Form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## **LOT SIZE**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

| <b>Issue / Issue Price (in ₹)</b> | <b>Lot Size(No.of shares)</b> |
|-----------------------------------|-------------------------------|
| Upto14                            | 10,000                        |
| More than 14 up to 18             | 8,000                         |
| More than 18 upto25               | 6,000                         |
| More than 25 upto 35              | 4,000                         |
| More than 35 upto 50              | 3,000                         |
| More than 50 upto 70              | 2,000                         |
| More than 70 upto 90              | 1,600                         |
| More than 90 upto 120             | 1,200                         |
| More than 120 upto 150            | 1,000                         |
| 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 than750 upto 1,000           | 160                           |
| Above 1,000                       | 100                           |

Further to the circular, at the Initial Public Issue stage the Registrar to Issue in consultation with Lead Manager, 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 IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the priceband in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 4,000 shares.



## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 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 1, 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.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Prospectus.

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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application 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 this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form. Further, the Company and the LM are not liable for any adverse



occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

**a. Phased implementation of Unified Payments Interface**

SEBI has issued circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. 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, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from 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 payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of threemonths or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further 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 is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six working days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

**FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the Non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and 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. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.**

## **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide either (i) the bank account details and authorization to block funds their respective ASBA Form, or (ii) the UPI ID (in case of RIIs), as applicable, in the relevant space provided in the Application Form and the Application Forms that do not contain such details will be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to apply using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

| <b>Category</b>   | <b>Colour<sup>(1)</sup></b> |
|---|-----------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis             | White                       |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue                        |

<sup>(1)</sup> Excluding electronic Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RII bidding using the UPI Mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchange. Stock Exchange shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Application details already uploaded

For RIIs using UPI Mechanism, the Stock Exchange shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange applying platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The LM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analyzing the same and fixing liability.

## **Electronic registration of Applications**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. The Designated



Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the Issue.

On the Issue Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States 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 state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Who Can Apply?**

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTERS/PROMOTER GROUP**

The LM shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the LM or any associates of the LM, except Mutual Funds sponsored by entities which are associates of the LM or insurance companies promoted by entities which are associate of LM or AIFs sponsored by the entities which are associate of the LM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the LM nor; (ii) any “person related to the Promoters and members of the Promoter Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters and members of the Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset



management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that such Applications clearly indicate the scheme concerned for which the Application is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

#### **APPLICATION by HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

For details of investment by NRIs, see "*Restrictions in Foreign Ownership of Indian Securities*" on page 276 of this Draft Prospectus. Participation of eligible NRIs shall be subject to NDI Rules

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, 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 (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **APPLICATION BY FPI**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI shall be less than 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs could be upto 100%, being the sectoral



cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“MIM Structure”), provided such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Applications received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Applications, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications are liable to be rejected. Further, in the following cases, the Applications by FPIs will not be considered as multiple Applications: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“ODI”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.



Participation of FPIs in the Issue shall be subject to the FEMA Rules.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. 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 their investible funds in one investee company. A category III AIF cannot invest more than 10% of their investible funds 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 their investible funds 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 newscheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs was subject to the FEMA Rules

All non-resident investors 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 Lead Manager 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 which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **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 in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the



case may be.

*\* The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, 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, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **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 in consultation with the LM, reserve 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, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and

(iii) investment in a non- financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited consolidated financial statements on a standalone basis and a net worth certificates from its statutory auditor(s), and such other approval as may be required by the Systemically Important NBFCs must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. 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 UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their 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 in consultation with the LM, may deem fit.

***The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus or the Prospectus***

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

### Information for the Applicants

In addition to the instructions provided to the Applicants in the *General Information Document for Investing in Public Issues*, Applicants are requested to note the following additional information in relation to the Issue.

1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten working days. The Issue Period may be extended, if required, by an additional three working days, subject to the total Issue Period not exceeding ten working days.
2. The relevant Designated Intermediary will enter each Application into the electronic bidding system as a separate Application and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Applicant. Therefore, an Applicant can receive up to three Acknowledgement Slips for each Application Form. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When an Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges 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, and/or the Lead Manager are cleared or approved by the Stock Exchanges; 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 this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.



5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. 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 XIII of the SEBI Regulations.

#### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on March 30, 2023.
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no. 39 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26, Section 28 and all other provision applicable as per Companies Act.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 and 28 of Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload 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 Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
- c) Pursuant to confirmation of such corporate actions, the Registrar 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.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within the time prescribed under applicable law. 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 transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 6 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 Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **Availability of the Prospectus and the Application Forms:**





Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Application(s) or lower the size of their Application(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application(s) during the Issue Period and withdraw their Application(s) until Issue Closing Date.

#### **Do's:**

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
- 2) Ensure that you have apply within the Price Offer
- 3) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 4) Ensure that you have mentioned the correct ASBA Account number if you are not an RII bidding using the UPI Mechanism in the Application Form and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
- 5) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
- 6) RIIs Applying in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIIs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- 7) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries.
- 8) In case of joint Applications, ensure that first applicant 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;
- 9) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 10) Ensure that you request for and receive a stamped acknowledgement of the Application Form;
- 11) 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 Applications, 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. Ensure that the signature of the First Applicant is included in the Application Forms. PAN of the First Applicant is required to be specified in case of joint Applications;
- 12) Ensure that you submit the revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Retail Individual Investors not using the UPI Mechanism, should submit their Application Form directly with SCSBs and not with any other Designated Intermediary;
- 14) Except for Applications (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, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for



transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications 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 Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

- 15) 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;
- 16) Ensure that the correct investor category and the investor status is indicated in the Application Form;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 19) Application by Eligible NRIs for a Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Applications for a Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Issue
- 20) Since the allotment will be in dematerialized form only, ensure that the Applicant’s depository account is active, the correct DP ID, Client ID , PAN and UPI ID, if applicable, are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID , PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- 21) In case of ASBA Applicants (other than Retail Individual Applicants using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Applying Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
- 22) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date;
- 23) Once the Sponsor Bank issues the UPI Mandate Request, the Retail Individual Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
- 24) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application. Bid In case of RIIs submitting their Applications and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Issue Amount and subsequent debit of funds in case of Allotment;
- 25) Ensure that you have correctly signed the authorization / undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 26) Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application 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, a Retail Individual Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block



the Application Amount specified in the Application Form;

- 27) However, Applications received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
- 28) FPIs making MIM Applications using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Applications are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Applications shall be rejected;
- 29) Retail Individual Applicants using the UPI Mechanism who have revised their Applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner and
- 30) Ensure that the Demographic Details are updated, true and correct in all respects

The Application Form were liable to be rejected if the above instructions, as applicable, were 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 were liable to be rejected.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not submit a Application using UPI ID, if you are not a RII;
- 3) Do not Apply for a Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants).
- 4) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not Apply at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- 7) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not submit the Applications for an amount more than funds available in your ASBA account.
- 9) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 10) In case of ASBA Applicants, do not submit more than one ASBA Forms per ASBA Account;
- 11) If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- 12) If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
- 13) Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
- 14) Do not Apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;



- 15) Do not submit the General Index Register (GIR) number instead of the PAN;
- 16) Do not submit incorrect details of the DP ID, Client ID PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 17) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 18) Do not Apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 19) Do not submit a Application/revise a Issue Amount, with a price less than the Issue Price;
- 20) Do not submit your Apply after 3.00 pm on the Issue Closing Date;
- 21) If you are a QIB, do not submit your Application after 3:00 pm on the QIB Issue Closing Date;
- 22) Do not fill up the Application Form such that the Equity Shares Application for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
- 23) Do not Apply for shares more than specified by respective Stock Exchanges for each category;
- 24) Do not Apply, if you are an OCB;
- 25) 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 Applications submitted by RIIs using the UPI Mechanism;
- 26) Do not Apply on another Application Form after you have submitted a Application to any of the Designated Intermediaries; and
- 27) Do not submit Applications to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page no. 39 on this Daft Prospectus

For helpline details of the LM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information - Lead Manager*” on page no. 39 on this Daft Prospectus.

## **GROUND FOR REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSBs and/or using a



mobile application or UPI handle, not listed on the website of SEBI;

5. Applications under the UPI linked Mechanism submitted by Retail Individual Applicants 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. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Applicant;
9. ASBA Form by the RIIs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Application by Retail Individual Applicants with Application Amount for a value of more than ₹ 200,000
13. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Applications by Applicants accompanied by cheques, demand drafts, stock invest, money order, postal order or cash;
15. Applications uploaded by QIBs after 4.00 p.m. on the QIB Issue Closing Date and by Non-Institutional Applicants uploaded after 4.00 p.m. on the Issue Closing Date, and Applications by Retail Individual Applicants uploaded after 5.00 p.m. on the Issue Closing Date, unless extended by the Stock Exchanges; and
16. Application by OCB.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Issue – Instructions for filing the Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.



## DESIGNATED DATE AND ALLOTMENT

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

### Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the LM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalized 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 through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants 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 as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

### Impersonation

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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 which shall not be less than six months extending up to 10 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.

### Undertaking by our Company

Our Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the



same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) 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 SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

#### **Utilization of Net Proceeds**

Our Company specifically confirms and declares that:

- 1) All monies received out of the Issue of specified securities to public shall be credited/ transferred to separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised and;
- 3) Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under the appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**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. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“**FDI**”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“**DPIIT**”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

Under the current applicable sectoral cap, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is in the business of sustainable technology provider in solid waste management. As these sectors/activities are not specifically listed under the FDI Policy 2020, it shall come under the Permitted Sectors category, hence 100 % foreign direct investment through automatic route is permitted subject to applicable laws/regulations, security and other conditionalities.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### Investment conditions/restrictions for overseas entities

#### i. Investment by FPIs under Portfolio Investment Scheme (PIS):

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the total paid-up equity capital of the Indian Company on a fully diluted basis and subject to the aggregate limit of all FPIs put together being 24% of the total paid-up equity capital of the Indian company on a fully diluted basis. However, this aggregate limit of 24% may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body, respectively before





March 31, 2020. With effect from April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the FDI Policy, 2020, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. The aggregate limit as provided above may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. The Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively; however, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold.

**ii. Investment by NRI or OCI on repatriation basis:**

As per Schedule 3 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, an NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorized dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per Schedule 4 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, purchase by an NRI/OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside, it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI/ OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs/OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a Nidhi company or a company engaged in agricultural/ plantation activities or real estate business or construction of farmhouses or dealing in transfer of development rights.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

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.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 and do not exceed the applicable limits under the laws and regulations.



**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013**  
**(Incorporated under the Companies Act, 1956)**

**A COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**  
**OF**  
**ORGANIC RECYCLING SYSTEMS LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' special resolution passed at the Extraordinary General Meeting held on 26<sup>th</sup> September, 2022 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company

|                                    |  |  |  |
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|                                    |  | The regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 ("Table 'F'"), as are applicable to a public company limited by shares shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table 'F', the provisions of these Articles shall prevail   | Table "F" to apply save as varied        |
|                                    |  | Articles shall act as the regulations for the management of the Company and for the observance by its members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of, or addition to, its Articles by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of the Act or any Applicable Law or any amendment or notification thereto. | Company to be governed by these Articles |
|                                    |  | <b>Interpretation</b>  |  |
|                                    |  | In the interpretation of these Articles, unless repugnant to the subject or context:-  | Interpretation Clause                    |
| "Act"                              |  | "Act" means the Companies Act, 2013 (including any amendments, modification(s) a or re-enactment thereof, for the time being in force), including wherever applicable the Rules framed there under   |  |
| "Articles"                         |  | "Articles" means these articles of association of the Company as adopted or as altered from time to time in accordance with the Act.   |  |
| "Auditors" or "Statutory Auditors" |  | "Auditors" means and includes those persons appointed as such for the time being of the Company.   |  |
| "Annual General Meeting"           |  | "Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act.   |  |
| "Board" or "Board of Directors"    |  | "Board" or "Board of Directors" means the collective body of the Directors of the Company or a committee thereof duly constituted.   |  |
| "Company"                          |  | "Company" means <b>Organic Recycling Systems Limited</b> .   |  |
|                                    |  | "Chief Executive Officer" shall have the meaning assigned thereto by the Act.  | "Chief Executive Officer"                |



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| “Directors”        |  | “Directors” means the Directors for the time being of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with Law and the provisions of these Articles or, as the case may be, the Directors assembled at a meeting of the Board.   |                       |
| “Depository”       |  | “Depository” shall mean a company formed and registered under the Companies Act, 1956 or the Companies Act, 2013, as the case maybe, and which has been granted a certificate of registration to act as depository under the Securities and Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.   |                       |
| “Laws”             |  | “Law” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority, Ministry of Corporate Affairs, SEBI or any other regulatory body, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) applicable Indian accounting standard or any other generally accepted accounting principles. |                       |
|                    |  | “Manager” shall have the meaning assigned thereto by the Act.  | “Manager”             |
|                    |  | “Managing Director” shall have the meaning assigned thereto by the Act.  | “Managing Director”   |
| “Memorandum”       |  | “Memorandum” means the memorandum of association of the Company  |                       |
| “National Holiday” |  | National Holiday” means Republic Day i.e. 26th January, Independence Day i.e. 15th August, Gandhi Jayanti i.e. 2nd October and such other day as may be declared as National Holiday by the Central Government   |                       |
|                    |  | “Ordinary Resolution” shall have the meaning assigned thereto by the Act.  | “Ordinary Resolution” |
|                    |  | “Promoter” shall have the meaning assigned thereto by the Act.   | “Promoter”            |
|                    |  | “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.   | “Rules”               |
|                    |  | “Seal” means the common seal of the Company.   | “Seal”                |
|                    |  | “SEBI” means the Securities and Exchange Board of India.   | “SEBI”                |
|                    |  | “Special Resolution” shall have the meaning assigned thereto by the Act.   | “Special Resolution”  |
|                    |  | “Resolution” shall have the meaning assigned thereto by the Act.   | “Resolution”          |
|                    |  | The marginal notes used in these Articles shall not affect the construction hereof.  |                       |
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|  |    | Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.   |                 |
|  |    | Unless the context otherwise requires, words or expressions contained in these Articles shall bear 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.   |                 |
|  |    | <b>Share Capital and Variation of Rights</b>  |                 |
|  |    | The Authorised Share Capital of the Company shall be as stated in Clause 5 of the Memorandum, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the Authorised Share Capital into equity share capital and preference share capital and to attach there to respectively any preferential, convertible, deferred, qualified or special rights, privileges or conditions or restrictions and to vary, modify or abrogate the same as may be determined by or in accordance with the provisions of the Act and the Articles. | “Share Capital” |
| “Shares under control of the Board”        |    | Subject to the provisions of the Act and the Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose off 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. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in General Meeting.   |                 |
| “Shares for consideration other than cash” |    | Subject to the provisions of the Act and the Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so issued and allotted as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.   |                 |
|  |    | The Company may issue the following kinds of shares in accordance with the Articles, the Act, the Rules and other applicable laws   |                 |
|  |    | Equity share capital:   |                 |
| “Kinds of share capital”                   |    | a. With voting rights; and/or   |                 |
|  |    | b. With differential rights as to dividend, voting or otherwise in accordance with the Rules; and   |                 |
|  |    | Preference share capital  |                 |
|  |    | a. In various classes.  |                 |
| “Issue of Certificate”                     | i. | Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or   |                 |



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|  |    | transmission or within such other period as the conditions of issue provide :   |  |
|  |    | a. one certificate for all his shares without payment of any charges;<br>or   |  |
|  |    | b. several certificates, each for one or more of his shares, upon payment of the requisite fee, or such other fees as may be fixed by the Board, for each certificate after the first.  |  |
|  |    | Every certificate shall be under the Seal or round stamp and shall specify the shares to which it relates and the amount paid-up thereon.   | “Certificate to bear Seal”   |
|  |    | 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.   | “One certificate for shares held jointly”                                    |
|  |    | Every certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws   | “Form and manner of issue of certificate”                                    |
|  |    | If a person opts to hold any shares with the Depository, the Company shall intimate such Depository the details of allotment of the shares, to enable the Depository to enter in its records the name of such person as the beneficial owner of those shares.   |  |
|  | 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 deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act, for each certificate. | “Issue of new share certificate in place of one defaced, lost or destroyed”  |
|  |    | Provided that the fees for issue of share certificate issued on splitting or consolidation or replacement of share certificates that are defaced, mutilated, torn or old, decrepit or worn out shall not exceed such amounts as may be prescribed under the Act and the Rules from time to time.  |  |
|  |    | Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any recognised stock exchange or the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.  |  |
|  |    | The provisions of the foregoing Articles relating to issue of:  | “Provisions as to”   |
|  |    | certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company  | “Issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.” |
|  |    | Except as required by Law, no person shall be recognized by the   |  |



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| “Rights in respect of any share in Trust”  |    | Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles 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.   |  |
| “Power to pay commission in connection with securities issued”                       | i. | The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 the Act, to any person in connection with the subscription to its securities, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules thereunder.  |  |
| “Rate of commission in accordance with the Rules.”                                   |    | 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.  |  |
| “Mode of payment of commission”  |    | 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.  |  |
| “Variation of the members right”   |    | 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 the Act, 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 Resolution, as specified under the Act, passed at a separate General Meeting of the holders of the shares of that class, as prescribed under the Act. |  |
| “Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting” |    | To every such separate General Meeting, the provisions of the Articles relating to General Meetings shall <i>mutatis mutandis</i> 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.   |  |
|  |    | The provisions of the foregoing Articles relating to variation of rights shall <i>mutatis mutandis</i> apply to any other securities including debentures (except where the Act otherwise requires) of the Company.   | Provisions as to variation of rights to apply <i>mutatis mutandis</i> to other securities. |
|  |    | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.   | Issue of further shares not to affect rights of existing members.                          |
|  |    | Subject to the provisions of section 55 of the Act, the Board shall have the power to issue or re-issue preference shares of one or more  | Power to issue redeemable  |



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|  |    | classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules. Such preference shares shall be redeemable in accordance with the Act and the Rules made there under.  | preference shares               |
|  | i. | Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered  | Further issue of share capital  |
|  |    | a. to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-  | Mode of further issue of shares |
|  |    | 1. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;   |                                 |
|  |    | 2. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause 1. above shall contain a statement of this right;   |                                 |
|  |    | 3. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;  |                                 |
|  |    | b. to employees under a scheme of employees' stock option, subject to Resolution, as specified under the Act, passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or   |                                 |
|  |    | c. to any persons, if it is authorised by a Resolution, as specified under the Act, whether or not those Persons include the Persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the Rules and such other conditions, as may be prescribed under Law.  |                                 |
|  |    | d. The notice referred to in sub-clause (1.) of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue.   |                                 |
|  |    | e. Nothing in these Articles shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:<br><br>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Resolution, as |                                 |



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|  |  | specified under the Act, passed by the Company in a General Meeting.   |                                     |
|  |  | f. The provisions contained in this Article shall be subject to the provisions of the Act.   |                                     |
|  |  | Notwithstanding anything contained in Article above, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in Article above) in any manner whatsoever   |                                     |
|  |  | a. Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.   |                                     |
|  |  | A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.  |                                     |
|  |  | Subject to the provisions of the Act and other applicable provisions of Law, the Company may with the approval of the shareholders issue sweat equity shares in accordance with such rules and guidelines issued by SEBI and / or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.   | Sweat equity shares                 |
|  |  | The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by requisite Resolution, subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.   | Employee Stock Option Scheme (ESOP) |
|  |  | The company shall be free to implement cash settled or equity settled stock appreciation rights (SAR) scheme and grant SARs in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as and when amended and the applicable provisions of the Act, as and when amended.  |                                     |
|  |  | Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and the Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible in to shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the shareholders of the Company in General Meeting or through postal | Terms of issue of debentures        |





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|                             |    | ballot by a Resolution, as specified under the Act   |  |
|                             |    | The Company shall have power to issue Securities at a premium and shall duly comply with the provisions of Section 52 of the Act.  |  |
|                             |    | <b>Share Warrants</b>  |  |
|                             |    | The Company may issue Share warrants subject to, and in accordance with, the provisions of the Act and the applicable rules/regulations/ guidelines. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant. |  |
|                             |    | i. The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.   |  |
|                             |    | ii. Not more than one person shall be recognised as the depositor of the Share warrant.  |  |
|                             |    | iii. The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.  |  |
|                             |    | i. Except as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company.  |  |
|                             |    | ii. The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder.   |  |
|                             |    | The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.  |  |
|                             |    | <b>Lien</b>  |  |
| Company's<br>lien on shares | 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:   |  |



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|  |  | <p>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.<br/>The fully paid shares shall be free from all lien.</p>  |                                 |
| Lien to extend to dividends, etc.      |  | The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.   |                                 |
| Waiver of lien in case of registration |  | Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.   |                                 |
|  |  | The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:   |                                 |
|  |  | Provided that no sale shall be made:  |                                 |
|  |  | <p>a. Unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise as the Board may permit.</p> |                                 |
| Validity of sale                       |  | i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.   |                                 |
| Purchaser to be registered holder      |  | 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.   | Purchaser not affected          |
|  |  | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.  | Validity of Company's receipt   |
|  |  | i. The net 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.   | Application of proceeds of sale |
|  |  | 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.   | Payment of residual money       |
|  |  | In exercising its lien, the Company shall be entitled to treat the  | Outsider's lien                 |



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|  |  | registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.   | not to effect Company's lien   |
|  |  | The provisions of the Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.   | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |
|  |  | <b>Certificates</b>  |  |
|  |  | Notwithstanding anything contained elsewhere in the Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.   | Right of Directors to refuse sub- division                                 |
| Issue of certificates, if required, in the case of dematerialized shares / debentures / other securities and rights of beneficial owner of such shares / debentures / other securities |  | Notwithstanding anything contained elsewhere in the Articles, a certificate, if required, for a dematerialized share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in the Articles in respect of the rights of a member/debenture holder of the Company shall <i>mutatis mutandis</i> apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialized share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of the Articles. |  |
|  |  | <b>Dematerialisation of Shares</b>   |  |
| Company entitled to dematerialize its shares, debentures and other securities  |  | Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a register of members / debenture-holders / other security-holders with the details of members / debenture-holders / other security-holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.   |  |
| Option to hold shares in electronic or physical form   |  | Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of   |  |



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|   |  | the allottee as the beneficial owner of the security.   |   |
| Beneficial owner deemed as absolute owner |  | Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest / premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by Law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof. |   |
|   |  | In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.<br><br>Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable.  | Shares, debentures and other securities held in electronic form |
|   |  | Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.  | Information about transfer of securities                        |
|   |  | Except as specifically provided in the Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.   | Provisions to apply to shares in electronic form                |
|   |  | <b>Calls on Shares</b>  |   |
|   |  | i. The Board may, from time to time subject to the provisions of Section 49 of the Act and any other applicable provisions of the Act, Rules and the terms on which the shares may have been issued, 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:<br><br>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.   | Board may make calls  |
| Notice of call                            |  | ii. Each member shall, subject to receiving at least fourteen days' notice in writing specifying the time or times and place of   |   |



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|   |  | payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.   |  |
| Board may extend time for payment                   |  | iii. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, in respect of one or more members as the Board may deem appropriate in any circumstances.   |  |
| Revocation or postponement of call                  |  | iv. A call may be revoked or postponed at the discretion of the Board.   |  |
| Call to take effect from date of resolution         |  | A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.  |  |
| Liability of joint holders of shares                |  | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  |  |
| When interest on call payable                       |  | i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any as the Board may determine.       |  |
| Board may waive interest                            |  | ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.   |  |
| Sums deemed to be calls                             |  | 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 the Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. |  |
| Effect of non-payment of sums                       |  | ii. In case of non-payment of such sum, all the relevant provisions of the Articles as to payment of interest and expenses, for future or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.  |  |
| Payment in anticipation of calls may carry interest |  | The Board :  |  |
|   |  | i. 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  |  |
|   |  | ii. 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 as may be prescribed under the Act.  |  |
|   |  | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company  | Installments on shares to be duly paid |



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|  |  | by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.  |   |
|  |  | All calls shall be made on a uniform basis on all shares falling under the same class.   | Calls on shares of same class to be on uniform basis                |
|  |  | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.  | Partial payment not to preclude forfeiture                          |
|  |  | The provisions of the Articles relating to calls on shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  | Provisions as to calls to apply mutatis mutandis to debentures etc. |
|  |  | <b>Transfer of Shares</b>  |   |
|  |  | <ul style="list-style-type: none"> <li>i. The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.</li> <li>ii. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>iii. 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.</li> <li>iv. The Company shall use a common form of transfer shall be used in case of transfer of shares, subject to the provisions of the Act. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.</li> <li>v. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters administration, certificate of death or marriage, power of attorney or similar other document.</li> </ul> | Instrument of transfer to be executed by transferor and transferee  |
| Transfer not to be registered except on production of instrument of transfer |  | <p>The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures:</p> <p>Provided that where on an application in writing made to the</p>   |   |



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|  |  | <p>Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.</p> <p>Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of Law.</p> |   |
|  |  | The Board may, subject to the right of appeal conferred by section 58 decline to register—   |   |
|  |  | i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  |   |
|  |  | <p>ii. any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares being transferred.</p>  | Transfer not to be refused on ground of indebtedness  |
|  |  | A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.   | Transfer by legal representative                      |
|  |  | Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.   | Transfer of partly paid shares                        |
|  |  | For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch.   |   |
|  |  | In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless:   | Board may decline to recognize instrument of transfer |
|  |  | i. the instrument of transfer is in the form as prescribed in the Rules made under sub-section 56 of the Act,  |   |
|  |  | ii. 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 transfer  |   |



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|  |  | or to make the transfer; and   |  |
|  |  | iii. the instrument of transfer is in respect of only one class of shares.   |  |
| Notice of refusal to be given to transferor and transferee                               |  | If the Company refuses to register the transfer of any share pursuant to the Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.   |  |
| No transfer to minor   |  | i. No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.  |  |
| Registration of transfer not to be refused   |  | ii. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;   |  |
| When instruments of transfers to be retained   |  | All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.  |  |
| Fee on transfer  |  | The Board may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.   |  |
| Power to close Register of Members or other security-holders                             |  | On giving not less than seven days' previous notice in accordance with section 91 of the Act 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:<br><br>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. |  |
| Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc. |  | The provisions of the Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.   |  |
|  |  | <b>Transmission of Shares</b>  |  |
| Title to shares on death of a member   |  | 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 recognized by the Company as having any title to his interest in the shares.  |  |
| Estate of deceased member liable   |  | 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.  |  |





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|   |  | 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—   | Transmission Clause  |
|   |  | 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.  | Board's right unaffected   |
|   |  | The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.   | Indemnity to the Company   |
|   |  | 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.  | Right to election of holder of share   |
|   |  | ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.   | Manner of testifying election  |
|   |  | iii. All the limitations, restrictions and provisions of the Articles 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.   | Limitations applicable to notice   |
| Claimant to be entitled to same advantage |  | 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.<br><br>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. |  |
|   |  | The provisions of the Articles relating to transmission by operation of Law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.   | Provisions as to transmission to apply <i>mutates mutandis</i> to debentures, etc. |
|   |  | <b>Forfeiture of Shares</b>  |  |



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|   |  | c. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.  | If call or instalment not paid notice must be given |
|   |  | The notice aforesaid shall:  | Form of notice                                      |
|   |  | i. 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   |   |
|   |  | ii. 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.   |   |
|   |  | 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.   | In default of payment of shares to be forfeiture    |
|   |  | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.   | Entry of forfeiture in register of members          |
| Effect of forfeiture  |  | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.   |   |
| Forfeited shares may be sold, etc.  |  | i. A forfeited share shall become the property of the Company and may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.  |   |
| Cancellation of forfeiture  |  | ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.  |   |
| Members till liable to pay money owing at time of forfeiture              |  | i. A member 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.   |   |
| Members till liable to pay money owing at time of forfeiture and interest |  | ii. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. |   |



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| Cease of liability                                    |  | iii. 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.   |  |
| Certificate of forfeiture                             |  | 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;   |  |
| Title of purchaser and transferee of forfeited shares |  | 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:   |  |
| Transferee to be registered As holder                 |  | 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.  | Transferee not affected  |
|   |  | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.                          | Validity of the sales  |
|   |  | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares |
|   |  | The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering them on such terms as they think fit.  | Surrender of share certificates                                  |
|   |  | The provisions of these Articles as to forfeiture shall apply in the case of non-payment 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.   | Sums deemed to be calls  |
|   |  | The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.   | Provisions as to forfeiture of shares to apply                   |



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|                                    |  |  | <i>mutatis mutandis</i><br>to debentures, etc. |
|                                    |  | The Company may, from time to time, by Ordinary or Special resolution, as may be applicable, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.  |  |
| Power to alter share capital       |  | Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution:   |  |
|                                    |  | i. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;   |  |
|                                    |  | ii. Convert all or any of its fully paid-up shares in to stock, and reconvert that stock in to fully paid-up shares of any denomination;   |  |
|                                    |  | iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;  |  |
|                                    |  | iv. 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.  |  |
| Shares may be converted into stock |  | Where shares are converted into stock—   |  |
|                                    |  | i. 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 there to as circumstances admit:<br><br>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.                                     |  |
| Right of stock holders             |  | ii. 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. |  |
|                                    |  | iii. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those Articles shall include “stock” and “stockholder” respectively.  |  |
|                                    |  | The Company may, by a Resolution, as specified under the Act, reduce in any manner and with, and subject to any incident authorised and consent required by Law,-  | Reduction of capital                           |



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|   |  | <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account;</li> <li>iii. any securities premium account;</li> <li>iv. any other reserve in the nature of capital.</li> </ul>  |  |
|   |  | <b>Joint Holders</b>   |  |
|   |  | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in the Articles:  | Joint holders  |
|   |  | i. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.  | Liability of joint-holders   |
|   |  | ii. On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.  | Death of one or more joint holders                                 |
|   |  | iii. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.   | Receipt of one sufficient  |
|   |  | iv. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.   | Delivery of certificate and giving of notice to first named holder |
|   |  | v.   |  |
|   |  | a. Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. | Vote of joint-holders  |
| Executors or administrator as joint holders |  | b. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint holders.   |  |



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| Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc. |  | vi. The provisions of the Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.   |  |
|  |  | <b>Capitalisation of Profits</b>  |  |
| Capitalisation   |  | i. The Company in a General Meeting may, upon the recommendation of the Board, resolve —<br>a. that it is desirable to capitalize 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<br>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.   |  |
| Sum how applied  |  | 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—<br>a. Paying up any amounts for the time being unpaid on any shares held by such members respectively;<br>b. Paying up in full, un issued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;<br>c. Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);<br>iii. A securities premium account and a capital redemption reserve account may, for the purposes of this clause, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;<br>iv. The Board shall give effect to the resolution passed by the Company in pursuance of this Article. |  |
| Powers of the Board for capitalization   |  | 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 capitalized thereby, and all allotments and issues of fully paid shares if any; and<br>b. generally do all acts and things required to give effect thereto  |  |
| Board's power to issue fractional  |  | 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   |  |



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| certificate / coupon etc.    |  | fit, for the case of shares becoming distributable in fractions; and   |  |
|                              |  | b. To authorize 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 the irrespective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;  |  |
| Agreement binding on members |  | iii. Any agreement made under such authority shall be effective and binding on such members.   |  |
|                              |  | <b>Buy-back of Shares</b>  |  |
|                              |  | Notwithstanding anything contained in the Articles but subject to the provision of sections 68-70 of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.  | Buy-back of shares                                       |
|                              |  | The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.  | Restrictions on purchase by Company of its own shares    |
|                              |  | <b>General Meetings</b>  |  |
|                              |  | i. Subject to the provisions of the Act, an Annual General Meeting of the Members of the Company shall be held every year within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, that is, between such time as prescribed in the Act, on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated. | Annual General Meeting and Extraordinary General Meeting |
|                              |  | ii. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.  |  |
|                              |  | i. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.   | Powers of Board to call 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  |  |



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|   |  | the Board.   |  |
|   |  | <b>Proceedings at General Meetings</b>   |  |
| Presence of Quorum  |  | 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 of the Act.   |  |
| Chairman of the meetings                                      |  | The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.  |  |
| Business confined to election of Chairman whilst chair vacant |  | No business shall be discussed or transacted at any General Meeting whilst the chair is vacant, except election of Chairman.   |  |
| Absence of Chairman   |  | If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Managing Director ,or in the absence of the Managing Director, any of the Whole-time Director of the Board shall preside as Chairman of such meeting and in such event the Managing Director or Whole-time Director (as applicable) shall assume all the powers, authorities and responsibilities of the Chairman as set out in the Articles. In the absence of Chairman, Managing Director or Whole-time Director, the Directors present shall elect one of themselves to be Chairman of the meeting. |  |
| Members to elect  |  | If at any meeting, pursuant to Article 86 above, no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically choose one of their members to be Chairman of the meeting.   |  |
| Power of Chairman   |  | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.  |  |
| Casting vote of Chairman at general meeting                   |  | On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall have a second or casting vote.  |  |
|   |  | i. The Company shall cause minutes of the proceedings of every General Meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively  | Minutes of proceedings of meetings and resolutions passed by postal ballot |





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|                                    |  | numbered.  |  |
|                                    |  | <p>ii. There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting:</p> <p>a. is, or could reasonably be regarded, as defamatory of any person; or</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. is detrimental to the interests of the Company.</p>                             | Certain matters not to included in the minutes books |
|                                    |  | <p>iii. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p>  | Discretion of the Chairman in relation to Minutes.   |
|                                    |  | <p>iv. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p>   | Minutes to be evidence                               |
|                                    |  | <p>Subject to provision of section 110 of the Act, the Company may, in respect of any of item of business other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot instead of transacting such business at a General Meeting.</p>             | Passing Resolution by way of Postal Ballot           |
|                                    |  | <p>i. The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall:</p> <p>a. be kept at the registered office of the Company; and</p> <p>b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p> | Inspection of minute books of General Meeting        |
| Members may obtain copy of minutes |  | <p>ii. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to above.</p>   |  |
|                                    |  | <b>Adjournment of Meeting</b>  |  |
| Chairman may adjourn the meeting   |  | <p>i. The Chairman may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p>  |  |
| Business at adjourned meeting      |  | <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p>  |  |
| Notice of adjourned meeting        |  | <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting</p>  |  |
| Notice of                          |  | <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it</p>  |  |



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| adjourned meeting not required                   |  | shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.  |   |
|  |  | <b>Voting Rights</b>  |   |
| Entitlement to vote on show of hands and on poll |  | Subject to any rights or restrictions for the time being attached to any class or classes of shares,—<br><br>i. On a show of hands, every member present in person shall have one vote; and<br><br>ii. On a poll and e-voting, the voting rights of members shall be in proportion of their share in the paid-up equity share capital of the Company.   |   |
| Scrutinizers at poll                             |  | Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him;   |   |
| Power of Chairman to remove scrutinizer          |  | The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.  |   |
|  |  | A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.   | Voting through electronic means                         |
|  |  | 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.  | Vote of joint-holders                                   |
|  |  | ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.   | Seniority of names                                      |
|  |  | 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.  | How members non <i>compos mentis</i> and minor may vote |
|  |  | Subject to the provisions of the Act and other provisions of the Articles, any person entitled to any shares, pursuant to the provisions related to <i>Transmission</i> in the Articles, may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent     |
|  |  | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.   | Business may proceed pending poll                       |
|  |  | No member shall be entitled to vote at any General Meeting unless   | Restriction on  |



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|  |  | all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.   | voting rights  |
|  |  | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.  | Restriction on exercise of voting rights in other cases to be void |
| Validity of the Vote                                       |  | <p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.</p>  |  |
| Equal rights of members                                    |  | Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.  |  |
|  |  | <b>Proxy</b>   |  |
| Member may vote in person or otherwise                     |  | <p>i. Any member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on their behalf, for attend that meeting and vote only on a poll.</p>   |  |
| Proxies when to be deposited                               |  | <p>ii. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.</p> |  |
| Form of proxy  |  | An instrument appointing a proxy shall be in the form as prescribed in the Rules and under section 105 of the Act.   |  |
| Proxies to be valid notwithstanding death of the principal |  | <p>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.</p> <p>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 issued</p>      |  |
|  |  | <b>Board of Directors</b>  |  |



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|  |  | <p>Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3(three) and shall not be more than 15.</p> <p>Provided that a company may appoint more than fifteen directors after passing a resolution, as specified in the Act.</p>   | Board of directors  |
|  |  | <p>Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments / securities to, any bank(s), financial institution(s), non- banking financial companies, asset reconstruction companies or any other body corporate (“Lender(s)”) and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity shares in the Company as a result of conversion of such loans / debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint any person as a director pursuant to any agreement, (which Director or Directors is / are hereinafter referred to as “Nominee Director(s) / Observer(s)”) on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender.</p> | Nominee Directors   |
|  |  | <p>The same individual may, at the same time, be appointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.</p>   | Same individual may be Chairman and Managing Director / Chief Executive Officer |
|  |  | <p>At the Annual General Meeting of the Company to be held in every year, two third of total number of Directors as are liable to retire by rotation for time being and one third of such of the directors or if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the independent director shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.</p>   | Directors liable to retire by rotation  |
| Remuneration of directors                |  | <p>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.</p>   |   |
| Remuneration to require members' consent |  | <p>ii. The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in a General Meeting.</p>  |   |
| Travelling and other expenses            |  | <p>iii. 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—</p>   |   |



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|   |  | <p>a. In attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or</p> <p>b. In connection with the business of the Company.</p>  |   |
| Sitting Fees to be decided by the Board |  | The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.   |   |
| Execution of negotiable instruments     |  | All cheques, promissory notes, drafts, <i>hundis</i> , 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 or a committee thereof shall from time to time by resolution, determine.                    |   |
|   |  | Every Director present at any meeting of the Board or of a committee thereof shall sign his name in the attendance book or attendance sheet kept for that purpose or submit a duly signed attendance slip which shall be maintained as part of the book to be kept for that purpose.  |   |
| Appointment of additional director      |  | <p>i. Subject to the provisions of section 149 of the Act, 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.</p>  |   |
|   |  | <p>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.</p>   | Duration of the office of the additional director         |
|   |  | The Board may appoint an alternate director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. | Appointment of alternate director                         |
|   |  | An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.   | Duration of office of alternate director                  |
|   |  | If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.   | Re-appointment provisions applicable to Original Director |
| Appointment of director to fill casual  |  | <p>i. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p>   |   |



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| vacancies   |  |  |   |
| Duration of office of Director appointed to fill casual vacancies |  | ii. The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.   |   |
|   |  | <b>Powers of Board</b>   |   |
| General powers of the Company vested in Board                     |  | <p>The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in a General Meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum and the Articles and to any clauses and to any clauses, not being inconsistent with the Memorandum and the Articles or the Act, from time to time made by the Company in General Meeting provided that no such clause shall invalidate any prior act of the Board which would have been valid if such clause had not been made.</p> <p>Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or Rules or statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting.</p> |   |
|   |  | <b>Borrowing Powers</b>  |   |
| Power to borrow   |  | The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the shareholders of the Company, in manner as prescribed under the Act or Rules thereof or any other law, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.   |   |
|   |  | The Directors, with share holders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.   | Conditions on which money may be borrowed |
|   |  | Subject to the provisions of Section 179 of the Act and other provisions of the Act and Rules there under, the Board may delegate from time to time and at any time to committee formed out of the Directors, any of its powers, authorities, and discretion for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit. The Board may authorise any such delegate, or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.   |   |



|   |  | <b>Proceedings of the Board</b>  |   |
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|   |  | i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.   | When meeting to be convened                               |
|   |  | ii. The Chairman or any one Director with the previous consent of the Chairman may, or the company secretary on the direction of the Chairman shall, at any time summon a meeting of the Board.  | Who may summon Board meeting                              |
|   |  | A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.  |   |
|   |  | Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.  | Notice of Meetings  |
|   |  | The quorum for a Board meeting shall be as provided in the Act.  | Quorum for Board meetings.                                |
|   |  | The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audiovisual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.   | Participation at Board meetings                           |
|   |  | 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.   | Questions at Board meeting how decided<br>Casting vote of |
|   |  | ii. In case of an equality of votes, the Chairman of the Board shall have a second or casting vote.  | Chairman at Board meeting                                 |
|   |  | 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. | Directors not to act when number falls below minimum      |
| Who to preside at meetings of the Board |  | i. The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.   |   |
| Directors to elect a Co-Chairman        |  | ii. The Board may elect one of their members as Co-Chairman to preside over their meetings in the absence of the Chairman and determine the period for which he is to hold office. The Co-Chairman shall in the absence of the Chairman, have all the powers conferred on the Chairman by the Articles.  |   |
| Directors to elect a Vice Chairman      |  | iii. The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairman and Co-Chairman and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairman and Co-Chairman, have all the powers conferred on the   |   |



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|   |  | Chairman by the Articles.  |  |
| Absence of Chairman                       |  | iv. If no such Chairman, Co-Chairman or Vice Chairman is elected, or if at any meeting the Chairman, Co-Chairman and Vice Chairman are not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairman of the meeting.   |  |
| Minutes of Board and Committee meetings   |  | v. The minutes of the meeting of the Board and the Committees thereof shall be prepared and kept in accordance with the provisions of the Act and the Rules.   |  |
| Delegation of powers                      |  | 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.  |  |
| Committee to conform to Board regulations |  | 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.  |  |
| Participation at Committee meetings       |  | The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.  |  |
|   |  | i. A committee may elect a Chairman of its meetings.   | Chairman of Committee  |
|   |  | ii. If no such Chairman is elected, or if at any meeting the Chairman 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 Chairman of the meeting.  | Who to preside at meetings of Committee                                |
|   |  | i. Subject to the provisions of the Act and directions of the Board of Directors, a committee may meet and adjourn as it thinks fit.   | Committee to meet  |
|   |  | 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 Chairman shall have a second or casting vote.  | Questions at Committee meeting how decided                             |
|   |  | 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 anyone 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. | Acts of Board or Committee valid notwithstanding defect of appointment |
|   |  | 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  | Passing of resolution by circulation                                   |





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|   |  | the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.   |   |
|   |  | <b>d. Chief Executive Officer, Manager, Company Secretary, Chief Financial Officer (KMP)</b>  |   |
|   |  | Subject to the provisions of the Act,—  |   |
|   |  | i. A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, subject to the provisions of any contract between him/her and the Company; 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;  | Chief Executive Officer, etc.                 |
|   |  | ii. A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.  | Director may be chief executive officer, etc. |
|   |  | iii. The remuneration of the Manager shall (subject to the provisions of Section 197 of the Act and Schedule V to the Act and other applicable provisions of the Act) be fixed by the Directors from time to time.  |   |
| Same person not authorized to act in different capacity |  | A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.   |   |
|   |  | <b>Managing Director, Whole Time Director, Management</b>   |   |
| Managing Director                                       |  | i. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules.  |   |
|   |  | ii. A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and / or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him there by or by the Act.  |   |
|   |  | iv. The remuneration of the Managing Director or Whole Time Director shall (subject to Section 197 and Schedule V to the Act and other applicable provisions of the Act and of these Articles and of any contract between him/her and the Company) be fixed by the Board, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by way of all these modes or any other mode not expressly prohibited by the Act. |   |
|   |  | v. The Managing Director or Directors who are in whole time employment in the Company shall subject to supervision and  |   |



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|                     |  | control of the Chairman, if appointed, and in absence of Chairman shall report to the Board of Directors and exercise such powers as are vested in them by the Board.   |  |
|                     |  | vi. If the Managing Director ceases to hold the office of the Managing Director, he/she shall ipso facto and immediately cease to be the Managing Director.   |  |
|                     |  | <b>Registers</b>  |  |
| Statutory registers |  | The Company shall keep and maintain at its registered office all statutory registers including, register of members, register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Extracts of the Registers or Annual Return may be taken there from and copies thereof may be provided to the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. |  |
| Foreign register    |  | i. The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.  |  |
|                     |  | ii. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, <i>mutatis mutandis</i> , as is applicable to the register of members.   |  |
|                     |  | <b>The Seal</b>   |  |
| Seal                |  | i. The Board shall provide a common seal for the Company and shall have power from time to time to destroy the same, substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the Company and committed to the custody of the Whole-time/ Managing Director or the Secretary if there is one, 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 a committee of the Board authorized by it in that behalf, and except in the presence of at least one Director or of the company secretary of the Company or such other person as the Board may appoint for the purpose, and such Director or the secretary of the Company or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.  |  |
|                     |  | <b>Dividends and Reserves</b>   |  |



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| Company in general meeting may declare dividends |  | The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.   |   |
| Interim dividends                                |  | Subject to the provisions of the Act, 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 and as it may think fit.  |   |
| Dividends only to be paid out of profits         |  | 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. |   |
| Carry forward of profits                         |  | ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.  |   |
|  |  | 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 up on any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.   | Division of profits   |
|  |  | ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.   | Payments in advance   |
|  |  | 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. Any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.  | Dividends to be apportioned   |
|  |  | 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.  | No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom |
|  |  | The Board may retain dividends payable upon shares in respect of which any person is, under the <i>Transmission</i> clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.  | Retention of Dividend   |



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|                                  |  | <p>i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through post or courier 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.</p> | Instrument of payment |
|                                  |  | <p>ii. Every such cheque or warrant or electronic payment mode shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders may, direct the payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Payment in any way whatsoever shall be made at the risk of the person entitled to the money represented thereby.</p>                          |                       |
| Receipt of one holder sufficient |  | 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.  |                       |
| Notice of Dividend               |  | 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.  |                       |
| Waiver of dividend               |  | The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.   |                       |
| No Interest on Dividend          |  | <p>i. No dividend shall bear interest against the Company</p>   |                       |
| Unpaid or unclaimed dividend     |  | <p>ii. Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be called the Unpaid Dividend Account in any scheduled bank.</p>          |                       |
|                                  |  | <p>iii. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under Section 125 of the Act.</p>   |                       |
|                                  |  | <p>iv. No unclaimed or unpaid dividend shall be forfeited by the Board of Directors until the claim becomes barred by Law.</p>  |                       |
|                                  |  | <b>Accounts and Audit</b>   |                       |
| Financial Statements to          |  | <p>i. The Directors shall, as required by the Act, cause to be prepared and laid before the Company in Annual General Meeting to be</p>   |                       |



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| be laid in Annual General Meeting |  | held as provided in these Articles hereof such Financial Statements comprising of Profit and Loss Account, Balance Sheet and Directors' and Auditors' Reports as are referred to in those provisions.  |  |
|                                   |  | ii. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act.   |  |
|                                   |  | iii. The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.   | Inspection by Directors                                    |
|                                   |  | iv. The Financial Statements, books of accounts and other relevant books and papers of the Company shall be examined and audited in accordance with the provisions of the Act and the Rules.   | Accounts to be Audited                                     |
|                                   |  | v. Appointment, re-appointment, rotation, removal, resignation, eligibility, qualification, disqualification, remuneration, powers and duties etc. of the Statutory Auditors shall be in accordance with the provisions of the Act and Rules.  | Provisions relating to Statutory Auditors                  |
|                                   |  | vi. The remuneration of the Auditors shall be fixed by the Board as authorised in a General Meeting from time to time.   |  |
|                                   |  | vii. In case the Company is required to get its secretarial records audited by a Secretarial Auditor, the same shall be audited, in the manner prescribed under the provisions of the Act and the Rules.   | Secretarial Audit  |
|                                   |  | viii. Appointment, re-appointment, rotation, removal, resignation, eligibility, qualification, disqualification, remuneration, powers and duties etc. of the Secretarial Auditors shall be in accordance with the provisions of the Act and the Rules.   | Secretarial Auditors                                       |
|                                   |  | 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.  | Inspection of accounts and books of the Company by members |
|                                   |  | 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 authorized by the Board or by the Company in General Meeting.   | Restriction on inspection by members                       |
|                                   |  | <b>Winding Up</b>  |  |
|                                   |  | Subject to the provisions of Chapter XX of the Act and Rules thereunder—   | Winding up of Company                                      |
|                                   |  | i. If the Company shall be wound up, the liquidator may, with the sanction of a Resolution of the Company, as specified in the Act, 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 |  |



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|   |  | 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 where on there is any liability.   |  |
|   |  | <b>Indemnity and Insurance</b>  |  |
| Directors and officers right to indemnity |  | Subject to the provisions of the Act, every Director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered in to or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.   |  |
|   |  | Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified 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 discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority.  |  |
| Insurance                                 |  | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.   |  |
|   |  | Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys or the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his officer or in relation thereto unless the same happen through his own willful act or default. |  |
|   |  | <b>General Power</b>  |  |



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| General Power |  | Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. Further, where the Act or Rules empowers the Board to exercise any powers for and on behalf of the Company, the Board shall be entitled to exercise the same, irrespective of whether the same is contained in this Articles or not.  |  |
|               |  | At any point of time from the date of adoption of these Articles, if they come contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "Regulations"), the provisions of the Regulations shall prevail over the Articles to such extent.   |  |
|               |  | <b>Secrecy Clause</b>   |  |
|               |  | Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it may be inexpedient in the interest of the Company to communicate to the public.  |  |
|               |  | Every Director, Managing Director, Manager, Company Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts 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 so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and expect so far as may be necessary in order to comply with any of the provisions of these Articles or law. |  |
|               |  | It shall be imperative on every member or notify to the Company for registration his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him. A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode. The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.  |  |
|               |  | <b><u>NOTICES AND SERVICE OF DOCUMENTS</u></b>  |  |

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## OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: Office no 1003, 10<sup>th</sup> Floor, The Affaires, Plot no 9, Sector 17, Sanpada, Navi Mumbai Mumbai City - 400705 in from the date of filing this Draft Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### MATERIAL CONTRACTS

1. Issue Agreement dated October 19, 2022 between our company and the Lead Manager.
2. Agreement dated October 19, 2022 between our company and the Registrar to the Issue.
3. Public Issue Agreement dated [●] among our Company, the Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank, and the Registrar to the Issue.
4. Underwriting Agreement dated March 30, 2023 between our company and the Underwriters.
5. Market making Agreement dated March 30, 2023 between our company, the Lead Manager and the Market Maker.
6. Agreement among NSDL, our company and the registrar to the issue dated July 6, 2022.
7. Agreement among CDSL, our company and the registrar to the issue dated July 6, 2022.

#### MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated October 4, 2022 in relation to the Issue and other related matters.
3. Employment Agreement dated October 1, 2022 entered amongst the whole time directors and the company
4. Shareholders' resolution dated October 18, 2022 in relation to the Issue and other related matters.
5. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
6. Copy of the Patent Certificate dated July 10, 2023 issued by The Patent Office, Government of India towards invention entitled "Integrated Process for pre-treatment and Anaerobic Digestion of Waste and Apparatus used therein".
7. Peer Review Auditors Report dated August 11, 2023 on Restated Financial Statements of our Company for the period ended March 31, 2023 and for the years ended March 31, 2022 and 2021
8. Audited Financial statements of our Company and its subsidiaries for the years ended March 31, 2023, 2022 and 2021
9. The Report dated August 11, 2023 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus.
10. Redeemable Preference Shareholders (RPS) agreement dated September 16, 2013 and March 16, 2016 between the RPS and our Company.
11. Non-compete agreement through Shareholder's Agreement dated October 10, 2018 entered into between Yasasu EMS Private Limited (currently named as Blue Planet Yasasu Solutions Private Limited)
12. Copy of approval from BSE SME vide letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
13. Due diligence certificate submitted to BSE SME dated October 25, 2022, from Lead Manager to the Issue.

*Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at anytime 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 relevant statutes.*





## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, 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 Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of 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 Prospectus are true and correct.

| <b>Signed by the Directors of our Company</b>                                     |                   |                     |                         |                  |
|---|-------------------|---------------------|-------------------------|------------------|
| <b>S.N.</b>   | <b>Name</b>       | <b>Category</b>     | <b>Designation</b>      | <b>Signature</b> |
| 1.  | Mr. Sarang Bhand  | Managing            | Director                | Sd/-             |
| 2.  | Mr. Yashas Bhand  | Executive           | Director                | Sd/-             |
| 3.  | Mrs. Janaki Bhand | Non-Executive Woman | Director                | Sd/-             |
| 4.  | Mr. Rakesh Mehra  | Chairman            | Independent Director    | Sd/-             |
| 5.  | Mr. Amit Karia    | Non-Executive       | Independent Director    | Sd/-             |
| <b>Signed by the Chief Financial Officer and Company Secretary of our Company</b> |                   |                     |                         |                  |
| 6.  | Ms. Zinal Shah    | -                   | Company Secretary       | Sd/-             |
| 7.  | Mr. Jigar Gudka   | -                   | Chief Financial Officer | Sd/-             |

**Place:** Mumbai

**Date:** August 11, 2023