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**DRAFT PROSPECTUS**  
Dated: July 15, 2022  
Please read Section 26 and 32 of the  
Companies Act, 2013  
Fixed Price Issue



**BAHETI RECYCLING INDUSTRIES LIMITED**  
(Formerly known as Baheti Metal and Ferro Alloys Limited)  
CIN: U37100GJ1994PLC024001

Registered Office	Contact Person	Email and Telephone	Website
A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India	Mrs. Mansi Harsh Darji, Company Secretary & Compliance Officer	Email ID: info@bahetiindustries.com Tel No: +91-79-25627681/82	<a href="http://www.bahetiindustries.com">www.bahetiindustries.com</a>

PROMOTER OF THE COMPANY
Mr. Shankerlal Bansilal Shah

DETAILS OF THE ISSUE				
Type	Fresh Issue Size (In ₹ Lakhs)	OFS Size (by No. of shares or by amount in ₹)	Total Issue Size (In ₹ Lakhs)	Eligibility
Fresh Issue	[●]	Nil	[●]	THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.


DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES
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RISK IN RELATION TO THE FIRST ISSUE
The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹[●]/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 87 of this draft prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section “ <i>Risk Factors</i> ” beginning on page 25 of this Draft Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the 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 the Draft Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”)

LEAD MANAGER TO THE ISSUE		
Name and Logo	Contact Person	Email & Telephone No.
 <b>Hem Securities Ltd.</b>	Mr. Akun Goyal	Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Tel. No.: +91- 022- 49060000

REGISTRAR TO THE ISSUE		
Name	Contact Person	Email & Telephone
<b>PURVA SHAREGISTRY (INDIA) PVT. LTD.</b>	Ms. Deepali Dhuri	Email: <a href="mailto:support@purvashare.com">support@purvashare.com</a> Tel No.: +91-022-23016761

ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]



BAHETI RECYCLING INDUSTRIES LIMITED

(Formerly known as Baheti Metal and Ferro Alloys Limited)

CIN: U37100GJ1994PLC024001



Our Company was originally incorporated as a public limited Company under the name of “Baheti Metal And Ferro Alloys Limited” on December 28, 1994 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli bearing registration number as 04-24001. Subsequently, the name of our Company was changed from “Baheti Metal And Ferro Alloys Limited” to “Baheti Recycling Industries Limited” vide a fresh certificate of incorporation dated January 25, 2022, issued by the Registrar of Companies, Ahmedabad, Gujarat, bearing CIN as U37100GJ1994PLC024001. For further details, please refer titled “History and Certain Corporate Matters” beginning on page 122 of this Draft Prospectus.

**Registered Office:** A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India.

**Contact Person:** Ms. Mansi Harsh Darji, Company Secretary & Compliance Officer

**Tel. No.:** +91-79-25627681/82; **E-mail:** [info@bahetiindustries.com](mailto:info@bahetiindustries.com) ;**Website:** [www.bahetiindustries.com](http://www.bahetiindustries.com);

**Promoter of our Company:** Mr. Shankerlal Bansilal Shah

DETAILS OF THE ISSUE	
INITIAL PUBLIC OFFER OF 27,60,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (THE "EQUITY SHARES") OF BAHETI RECYCLING INDUSTRIES LIMITED (“OUR COMPANY” OR “BRIL” OR “THE ISSUER”) AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO RS. [●] (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING RS. [●] WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO RS. [●] IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.62% AND [●] RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 215 OF THIS DRAFT PROSPECTUS.	
This issue is being made through fixed price process in terms of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI (ICDR) Regulations”) as amended and Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (THE “SCRR”), This issue has been made for at least 25.00% of the post-issue paid-up equity share capital of our company and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled "Issue Procedure" beginning on page 225 of this Draft Prospectus. A copy of Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.	
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 225 of this Draft Prospectus.	
ELIGIBLE INVESTORS	
For details in relation to Eligible Investors, please refer to section titled “ <i>Issue Procedure</i> ” beginning on page 225 of this Draft Prospectus.	
RISK IN RELATION TO THE FIRST ISSUE	
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- per Equity Share and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page 87 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 Equity Shares or regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISKS	
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 25 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 Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) 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 National Stock Exchange of India Limited (“NSE”) for using its name in the Offer Document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited(“NSE”).	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <b>Hem Securities Ltd.</b>	
<b>HEM SECURITIES LIMITED</b> 904,A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India <b>Tel. No.:</b> +91- 022- 49060000; <b>Fax No.:</b> +91- 022- 22625991 <b>Email:</b> <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person</b> :Mr. Akun Goyal <b>SEBI Regn. No.</b> INM000010981	<b>PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED</b> 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai – 400 011, Maharashtra, India <b>Tel No.:</b> +91-022-23018261; <b>Fax No.:</b> +91-022-23012517 <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> <b>Investor Grievance Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> <b>Contact Person:</b> Ms. Deepali Dhuri <b>SEBI Regn. No.</b> INR000001112
BID/ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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## **SECTION I – GENERAL**

### **DEFINITIONS AND ABBREVIATIONS**

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992(“ SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 90, 146 and 250 respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

<b>Terms</b>	<b>Description</b>
“BRIL”, “the Company”, “our Company”, “Issuer” and “Baheti Recycling Industries Limited”	Baheti Recycling Industries Limited (formerly known as Baheti Metal And Ferro Alloys Limited), a Company incorporated in India under the Companies Act, 1956, having its Registered office at A/2/3, L.R. Apartment, Opp: Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue

#### **Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of our Company, as amended, from time to time
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 126 of this Draft Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Wadhawan & Co., (Firm Registration No. as 129455W).
Bankers to our Company	Axis Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b><i>Our Management</i></b> ” beginning on page 126 of this Draft Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Manoj Kumar Shah
Companies Act / Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Ms. Mansi Harsh Darji (M. No.: A58172)
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	The Director(s) of our Company, unless otherwise specified
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company

*Baheti Recycling Industries Limited*

Equity Shares	Equity Shares of the Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 126 of this Draft Prospectus.
ISIN	International Securities Identification Number. In this case being <b>INE029Q01017</b>
Joint Managing Director/ Joint MD	The Joint Managing Director of our company, Mr. Yash Shankerbhai Shah.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 126 of this Draft Prospectus.
LLP	Limited Liability Partnership
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Baheti Recycling Industries Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Mr. Balkishan Shankerlal Shah
Materiality Policy	The policy adopted by our Board on July 05, 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.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 126 of this Draft Prospectus
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident 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 Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoter of our Company i.e. Mr. Shankerlal Bansilal Shah. For further details, please refer to section titled <b>“Our Promoter &amp; Promoter Group”</b> beginning on page 141 of this Draft Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoter and Promoter Group”</b> beginning on page 141 of this Draft Prospectus.
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 validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at A/2/3, L.R. Appartment, Opp: Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The restated financial information of the Company comprising of the restated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated statement of profit and loss and the restated statement of cash flows for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and the significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended
RoC/ Registrar of Companies	Unless specified otherwise refers to ROC Ahmedabad situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat.

*Baheti Recycling Industries Limited*

Scheme of Amalgamation	Scheme of amalgamation involving the merger of Yash Metals Private Limited with our Company
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions, notifications and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled <b>"Our Management"</b> beginning on page 126 of this Draft Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Bansilal Ramkishan Shah, Mr. Shankerlal Bansilal Shah, Mr. Kshitish Madanmohan Shah, Mr. Bansilal Gordhanlal Shah, Mrs. Savitaben Shankerlal Shah, Mrs. Rupalben Bansilal Shah and Mr. Jamnalal Maliwal.
YMPL	The erstwhile Yash Metals Private Limited, which has amalgamated into our Company pursuant to the Scheme of Amalgamation which came into effect from March 07, 2022, which was the date on which a certified copy of the Order was filed with the RoC ("Effective Date")

**Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted pursuant to the Issue.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Draft Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.

	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 by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 225 of this Draft Prospectus.
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account in terms of the Draft Prospectus and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <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> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●]

Designated Stock Exchange	National Stock Exchange of India Limited (NSE Emerge i.e. SME platform of NSE)
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft Prospectus dated July 15, 2022 issued in accordance with Section 26 of the Companies Act, 2013
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs.10.00 each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI 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
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by the SEBI.
Issue Agreement	The Issue Agreement dated June 24, 2022 between our Company and Lead Manager.
Issue/Public size/Initial Public Offering/ IPO	Issue/Issue size/Initial Public Issue/Initial Public Offering/ IPO
Issue Closing Date	The date on which Issue closes for subscription. In this case being [●]
Issue Opening Date	The date on which Issue opens for subscription. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. [●] per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled " <b>Objects of the Issue</b> " beginning on page 81 of this Draft Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE (SME platform.). In our case, [●] is the sole Market Marker
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.

Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs.10 each at an Issue price of Rs. [●] each is aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of Rs.10/- each at a price of Rs.[●] per Equity Share (the “Issue Price”), including a share premium of Rs.[●] per equity share aggregating to Rs.[●] Lacs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 81 of this Draft Prospectus.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than Rs. 2,00,000/-
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	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.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with Registrar of Companies.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Purva Shareregistry (India) Private Limited.
Registrar Agreement	The agreement dated June 08, 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	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulation S	Regulation S under the Securities Act
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
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 ₹ 2,00,000.

Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Applications or any previous Revision Form(s).
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI LODR/SEBI (Listing Obligations and Disclosure Requirement) Regulations/ Listing Regulations/	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (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.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SME Exchange	SME Platform of the National Stock Exchange of India Limited i.e. “NSE Emerge”
SEBI(PFUTP)Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through this Draft Prospectus.
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 (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
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	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter, LM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and 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, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 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 Payment Corporation of India (NPCI)
UPI Mandate Request/ Mandate	A request (intimating the RII by way of notification on the UPI application and by way of a

*Baheti Recycling Industries Limited*

Request	SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

**Technical and Industry Related Terms**

Term	Description
Al	Aluminum
ADC	Aluminum-Alloy Die Castings
DG	Diesel Generator
EOL	End of Life
EPCG	Export Promotion Capital Goods Scheme
EVs	Electronic Vehicles
FICCI	Federation of Indian Chambers of Commerce and Industry
FIPB	Foreign Investment Promotion Board
FMV	Fair Market Value
FG	Finished Goods
HP	Horse Power
IAI	International Aluminium Institute
IT	Information Technology
INDAL	Indian Aluminium Company
IPQC	In Process Quality Control
IPR	Intellectual Property Rights
KVA	Kilo voltage
KWH	Kilowatt-hour
LED	Light-emitting diode
LME	London Metal Exchange
MGO	Magnesium oxide
MN	Million
MT	Metric Ton
MW	Mega Watt
MRP	Maximum Retail Price
P & M	Plant and Machinery
PM	Packing Material

QA	Quality Assurance
QC	Quality Control
RM	Raw Material
R&D	Research and development
RR	Recycling rate
Sq. Ft.	Square Feet
TPA	Tonnes per annum
TPD	Tonnes per day
TPY	Tonnes per year
UBC	Used Beverages Can
U.K.	United Kingdom
U.S./U.S.A.	United States of America
WHO	World Health Organization

### **Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs. / Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
NSE	National Stock Exchange of India Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number

CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	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
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GoI/Government	Government of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number

GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
LM	Lead Manager
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous

	Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRI	Non-Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
RaD Report	Reports and Data Report
R&D	Research & Development
Rs. or Rs.	Rupees, the official currency of the Republic of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as

	amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI (PFUTP) Regulations / PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	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.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

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, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “**Main Provisions of the Articles of Association**”, “**Statement of Special Tax Benefits**”, “**Industry Overview**”, “**Regulations and Policies in India**”, “**Financial Information of the Company**”, “**Outstanding Litigations and Material Developments**” and “**Issue Procedure**”, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

### **Certain Conventions**

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our restated financial information prepared for the financial year ended 31<sup>st</sup> March 2022, 2021 and 2020 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 146 of this Draft Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and 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. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Our Company does not have any Associate or Subsidiary Company as on date of this Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

Our restated financial statements as at and for the year ended March 31, 2022 included in this Draft Prospectus take into account the impact of the Scheme of Amalgamation which was filed for amalgamation of Yash Metals Private Limited (the “Transferor”) with Baheti Recycling Industries Limited (the “Transferee”) before the National Company Law Tribunal, Ahmedabad Bench (“NCLT”), under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013, seeking approval for the amalgamation of the Transferor into the Transferee. The appointed date for the Scheme of Amalgamation was April 01, 2021 (“Appointed Date”). The Scheme of Amalgamation was sanctioned and an order of the NCLT was delivered on February 23, 2022 (“Order”). The Scheme of Amalgamation came into effect from March 07, 2022, which was the date on which a certified copy of the Order was filed with the RoC (“Effective Date”).

For additional definitions used in this Draft Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 250 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not

been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled ***“Basis for Issue Price”*** on page 87 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “Rs.” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled ***“Industry Overview”*** throughout the Draft Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 25, 103 and 185 respectively of this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Draft Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to 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, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans ;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Impact of covid-19 on our business and operations; and
21. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 25, 103 and 185 respectively of the 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.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II – SUMMARY OF DRAFT PROSPECTUS

### A. OVERVIEW OF BUSINESS

Incorporated in 1994, we are an aluminium recycling Company, primarily engaged in processing aluminium based metal scrap to manufacture (i) aluminium alloys in the form of ingots and (ii) aluminium de-ox alloys in the form of cubes, ingots, shots and notch bar. The versatile properties of aluminium and its alloys, results in it being used in various industries, which include automobiles, construction, electrical transmission application, food packaging etc. Aluminium alloys are used in automobiles components due to its stiffness, corrosion resistance and excellent strength to weight ratio. The Aluminium de-ox alloys are used as deoxidizer in steel manufacturing units.

### B. OVERVIEW OF THE INDUSTRY

The Aluminium Industry in India is strategically well-placed and is one of the largest producers in the world with discernible growth plans and prospects for the future. In India, aluminium was consumed mainly in the Electrical sector (48%), followed by Automobile & Transport sector (15%), Construction (13%), Consumer Durables (7%), Machinery & Equipment (7%), Packaging (4%) and others (6%). In the Electrical sector, aluminium usage is in overhead conductor, and power cable used in generation, transmission, and distribution of electricity. Aluminium is also used in switchboards, coil windings, capacitors, etc. The demand for Aluminum has increased at CAGR of 6.77%.

### C. PROMOTERS

Mr. Shankerlal Bansilal Shah is the Promoter of our Company.

### D. DETAILS OF THE ISSUE

This is an Initial Public Issue of upto 27,60,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] lakhs (“**The Issue**”), out of which [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. [●] lakhs will be reserved for subscription by the market maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of face value of Rs. 10 each, at an issue price of Rs. [●] per Equity Share for cash, aggregating to Rs. [●] lakhs is hereinafter referred to as the “**Net Issue**”. The Public Issue and Net Issue will constitute 26.62% and [●] % respectively of the post- issue paid-up Equity Share capital of our Company.

### E. OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue to meet the following objects:-

Sr. No.	Particulars	Amt. (Rs. in lakhs)
1.	Modernization and expansion of existing manufacturing unit	252.89
2.	To meet Working Capital requirements	[●]
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### F. PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Our Promoter and Promoter Group collectively holds 76,07,190 Equity shares of our Company aggregating to 99.98% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoter and Promoter Group, as on date of this Draft Prospectus:-

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter (A)</b>				
1.	Mr. Shankerlal B. Shah	28,84,000	37.91	28,84,000	27.83

	<b>Sub Total (A)</b>	<b>28,84,000</b>	<b>37.91</b>	<b>28,84,000</b>	<b>27.83</b>
	<b>Promoter Group (B)</b>				
2.	Mrs. Savitaben Shakerlal Shah	7,71,155	10.14	7,71,155	7.44
3.	Mr. Yash Shankerbhai Shah	15,00,000	19.71	15,00,000	14.47
4.	Mr. Balkishan Shankerlal Shah	15,00,000	19.71	15,00,000	14.47
5.	M/s Shankerlal B. Shah HUF	2,86,710	3.77	2,86,710	2.77
6.	Mrs. Rashmi Balkishan Shah	3,33,335	4.38	3,33,335	3.21
7.	Mrs. Ayushi Shah	3,31,990	4.36	3,31,990	3.20
	<b>Sub Total (B)</b>	<b>4,723,190</b>	<b>45.55</b>	<b>4,723,190</b>	<b>45.55</b>
	<b>Total (A) + (B)</b>	<b>76,07,190</b>	<b>99.98</b>	<b>76,07,190</b>	<b>73.37</b>

## **G. SUMMARY OF FINANCIAL INFORMATION**

Following are the details as per the restated financial statements for the financial years ended on March 31, 2022, 2021 and 2020:-

<b>Particulars</b>	<b>Amt. (Rs. in lakhs)</b>		
	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Equity Share Capital	456.51	375.00	375.00
Total Equity	1,669.51	1,081.02	1,033.23
Total Income	24,926.06	12,780.02	10,595.84
Profit after tax	291.98	47.78	19.19
Earnings per Share (adjusted for Bonus issue of shares)	3.84	0.76	0.31
Net Asset Value per Share (adjusted for Bonus issue of shares)	21.94	17.30	16.53
Total Borrowings (including current maturities of long term borrowings)	5,074.81	3,789.61	3,118.89

## **H. AUDITOR QUALIFICATIONS**

There are no audit qualifications which have not been given effect in the restated financial statements.

## **I. 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:

### **Litigations/Matters against our Company:-**

<b>Nature of Cases</b>	<b>No. of Outstanding Cases</b>	<b>(Rs. in lacs)</b>
		<b>Amount in dispute/demanded to the extent ascertainable</b>
Litigation involving Actions by Statutory/Regulatory Authorities	1	11.77
Litigation/Matters involving Tax Liabilities	5	6.93*

*\*to the extent ascertainable*

**Litigations filed by our Company:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation Involving Criminal Laws (filed u/s 138 of Negotiable Instruments Act, 1881)	1	8.45
Litigation Involving Tax Liabilities	3	Not Ascertainable

**Litigations against our Promoter & Directors:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities	2	0.00*
Other Pending Litigations	1	Not Ascertainable

\*to the extent ascertainable

**Litigations filed by our Promoter & Directors:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable (Rs. in lacs)
Other Pending Litigations	1	0.74

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**” on page 193 of this Draft Prospectus.

**J. RISK FACTORS**

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 25 of this Draft Prospectus.

**K. SUMMARY OF CONTINGENT LIABILITIES**

**Claims against the company not acknowledged as debts**

(Rs. In lakhs)

Particulars	As at		
	31.03.2022	31.03.2021	31.03.2020
Contingent liabilities in respect of:			
Claims against the company not acknowledged as debts (Disputed Labour Case)	11.77	11.77	-

For further details, please refer to Note V – Contingent Liabilities of the chapter titled “**Financial Information of the Company**” on page 174 of this Draft Prospectus.

## **L. SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the year ended on March 31, 2022, 2021 and 2020:-

### **List of Related Parties:-**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

<b>Sr. No.</b>	<b>Name of the Person / Entity</b>	<b>Relation</b>
1	Shankerlal Bansilal Shah	Chairman & Whole time director
2	Balkishan Shankerlal Shah	Managing Director
3	Yash Shankerlal Shah	Joint Managing Director
4	Ayushi Yash Shah	Non- Executive Director
5	Satya Narain Mittal	Independent Director
6	Jaimish Govindbhai Patel	Independent Director
7	Rashmi B. Shah	Relative of Director
8	Savita Shankerlal Shah	Director till 07/03/2022
9	Gopal Lal Laxminarayan Bangur	Director till 20/04/2022
10	Kaushal Maheshwari	Director till 20/04/2022
11	Yash Metals Pvt. Ltd.	Director having substantial interest in the Entity*

\* A scheme of Amalgamation was filed for amalgamation of Yash Metals Private Limited (the “Transferor”) with Baheti Recycling Industries Limited (the “Transferee”) before the National Company Law Tribunal, Ahmedabad Bench (“NCLT”), under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 (“Scheme of Amalgamation”), seeking approval for the amalgamation of the Transferor into the Transferee. The appointed date for the Scheme of Amalgamation was April 01, 2021 (“Appointed Date”). The Scheme of Amalgamation was sanctioned and an order of the NCLT was delivered on February 23, 2022 (“Order”). The Scheme of Amalgamation came into effect from March 07, 2022, which was the date on which a certified copy of the Order was filed with the RoC (“Effective Date”).

Particulars	For the financial year		
	2021-22	2020-21	2019-20
<b>Remuneration Paid to Directors</b>			
Shankarlal Bansilal Shah	36.00	30.50	30.00
Balkishan Shankarlal Shah	15.00	12.50	12.00
<b>Professional Charges</b>			
Shankarlal Bansilal Shah	0.15	0.15	-
Balkrishna Shankarlal Shah	0.10	0.10	-
Savita Shankarlal Shah	0.10	0.10	
Yash S. Shah	0.10		
<b>Purchase</b>			
Yash Metals Pvt. Ltd.		14.41	4.76
<b>Bonus</b>			
Ayushi Shah	0.32	0.17	
Yash Shah	1.47	0.97	0.90
Rashmi Shah (Being Relative of Director)	0.23	0.24	0.14
<b>Salary</b>			
Ayushi Shah	3.85	2.10	
Yash Shah	17.60	11.70	10.80
Rashmi Shah (Being Relative of Director)	2.80	2.89	1.80
<b>Rent</b>			
Shankarlal B. Shah	2.16		
<b>Loans Received</b>			
Balkishan Shankarlal Shah		103.48	113.59
Savita Shankarlal Shah	65.00	59.81	68.54
Shankarlal Bansilal Shah		479.69	356.90
Yash S. Shah		1.95	
Yash Metal Pvt. Ltd		17.95	14.23
<b>Loans Repaid/ Given</b>			
Balkishan Shankarlal Shah	218.35	91.94	4.31
Savita Shankarlal Shah	4.60	132.05	6.45
Shankarlal Bansilal Shah	463.16	503.05	367.33

*Baheti Recycling Industries Limited*

Yash S. Shah	-	1.95	
Yash Metal Pvt. Ltd	-	26.80	
<b>Balances at the end of year (LOAN)</b>			
<b>Payables/ (Receivables)</b>			
Balkishan Shankerlal Shah	140.73	128.01	116.46
Savita Shankerlal Shah	81.02	15.12	87.36
Shankerlal Bansilal Shah	249.54	345.33	368.69
Yash Metal Pvt. Ltd	-	15.31	24.16
<b>Interest Expense</b>			
Shankerlal Bansilal Shah	25.36	26.03	32.90
Balkishan Shankerlal Shah	12.30	12.48	8.09
Savita Shankerlal Shah	5.99	3.96	3.54
<b>Land purchased</b>			
Yash Shah	4.00		

**Note:** The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

For further details, please refer to the Note W – Related Party Disclosures of chapter titled “*Financial Information of the Company*” on page 174 of this Draft Prospectus.

## **L. DETAILS OF FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the promoter, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.

## **M. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTER IN LAST ONE YEAR**

<b>Sr. No.</b>	<b>Name of the Promoter</b>	<b>No. of Shares acquired in last one year</b>	<b>Weighted Average Price (in ₹)</b>
1.	Mr. Shankerlal B. Shah	20,40,100	1.45

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

The average cost of acquisition of Equity Shares by our Promoter is set forth in the table below:

<b>Sr. No.</b>	<b>Name of the Promoter</b>	<b>No. of Shares held</b>	<b>Average cost of Acquisition (in ₹)</b>
1.	Mr. Shankerlal B. Shah	28,84,000	4.28

## **O. PRE IPO PLACEMENT**

Our Company is not considering any pre-IPO placement of equity shares of the Company.

## **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.

<b>Date of Allotment</b>	<b>Number of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Reasons for Allotment</b>	<b>Benefits Accrued to our Company</b>	<b>Name of Allottees</b>	<b>No. of Shares Allotted</b>
June 27, 2022	30,43,412	10/-	-	Bonus Issue in the ratio of 2:3	Capitalization of Reserves & Surplus	Mr. Shankerlal B. Shah	11,53,600
						Mrs. Savitaben S. Shah	3,08,462
						Mr. Balkishan S. Shah	6,00,000
						M/s. Shankerlal B. Shah HUF	1,14,684
						Mr. Yash S. Shah	6,00,000
						Mr. Shankerlal G. Bahedia	168
						Mr. Kshitish M. Shah	84
						Mr. Bansilal Gordhanlal Shah	284
						Mrs. Rashmi Balkishan Shah	1,33,334
						Mrs. Ayushi Yash Shah	1,32,796
						<b>Total</b>	<b>30,43,412</b>

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

Our company has not done any split/consolidation/ 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 complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Prospectus, particularly the **“Financial Information of the Company”** and the related notes, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on page 146, 103 and 185 respectively of this Draft Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus 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. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### **Materiality**

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

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

#### **Note:**

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

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in **“Risk Factors”** on page 25 and **“Management Discussion and Analysis of Financial Condition and Results of Operations”** on page 185 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the **“Restated Financial Statements”**.

#### **INTERNAL RISK FACTORS**

1. **Substantial portion of our revenues has been dependent upon few customers, with which we do not have any firm commitments. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition.**

The substantial portion of our revenues has been dependent upon few customers. For instance, our top five customers for the F.Y. ended March 31, 2022 and March 31, 2021 accounted for 60.94% and 51.76% of our revenue from operations for the respective

year. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company.

The contribution of our top five customers in our sales as a percentage of the revenue from operations during Fiscal 2022 are disclosed hereunder:-

<b>S. No.</b>	<b>Customer</b>	<b>% contribution in the revenue from operations for Fiscal 2022</b>
1	Customer 1	26.28%
2	Customer 2	11.00%
3	Customer 3	10.62%
4	Customer 4	9.63%
5	Customer 5	3.41%
<b>Total</b>		<b>60.94%</b>

In addition, we have not entered into long term agreements with our customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

***2. Volatility in the supply and pricing of our raw materials, restrictions on import of raw materials or failure by suppliers to meet their obligations, may have an adverse effect on our business, cash flows, financial condition and results of operations.***

The principal raw materials used in our manufacturing process include aluminium based scrap such as zorba, taint tabor, tense, troma, tally, telic and taldon, among others. Our cost of raw materials consumed, including changes in inventories of finished and traded goods for Fiscal 2022 was ₹ 22,148.08 lakhs, which represented 89.16% of our revenue from operations. The amount spent for the procurement of raw materials from our top ten suppliers, as a percentage of our total purchases, was 41.06% in Fiscal 2022. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices.

We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers across many countries. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, the outbreak of infectious diseases such as COVID-19, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Any delay in the supply or delivery of raw materials to us by our suppliers in may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business, cash flows and results of operations. Additionally, our inability to predict market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

Further, the prices of raw materials used by us are volatile and are subject to various factors including fluctuation in commodity prices, global economic conditions and market speculation, among other factors. Given the nature of the international scrap industry, our purchase contracts are made on spot prices. This exposes us to a significant risk of price and currency fluctuations. Since we have long lead times in our supply chain due to high imports, the scrap markets and forex rate may fluctuate in the intervening time and we may not be able to adjust prices of our finished products against what we would have paid for our raw materials. We may not be able to effectively hedge ourselves from the fluctuations in scrap prices and foreign exchange rate and this may have an adverse impact on our profitability.

In addition, any restrictions, either from the Central or state governments of India, or from countries which we import from, on the import of our raw materials or any adverse change in policies by India or other countries, in terms of tariff and non-tariff barriers, may adversely affect our business, prospects, financial condition and results of operations. There can be no assurance that such restrictions/ regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Further, there can be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations.

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

We specialize in the manufacture and supply of (i) aluminium alloys in the form of ingots and (ii) aluminium deox alloys in the form of cubes, ingots, shots and notch bar, based on technical specifications provided by our customers. Given the nature of our products and the sector in which we operate, our customers have high and exacting standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers regarding the alloy composition may lead to cancellation of the orders placed by our customers. Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill. In addition, our customers may demand, among others, price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, cash flows, results of operations and financial condition.

***4. Our inability to accurately forecast demand for our products, and accordingly manage our inventory, may have an adverse effect on our business, cash flows, financial condition and results of operations.***

Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations. We do not have firm commitment long term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of the sales of products.

Accordingly, we plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability.

We maintain a high level of inventory of raw materials, work in progress and finished goods. As of Fiscal 2022, our inventory of raw materials, stores & spares, finished goods and other items amounted to Rs. 3084.75 lakhs. Our high level of inventory increases the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Further, as our customers are not obliged to purchase our products or provide us with a binding long-term commitment, there can be no assurance that customer demand will match our production levels.

On the other hand, in the event that the demand we have forecasted is lower than the actual demand of our products, and we are unable to ramp up production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner. Any increase in our turn-around time could affect our production schedules and disrupt our supply, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

**5. *Our business is significantly dependent upon the steel and automotive-parts industry. Any downturn or cyclical fluctuation in both these sectors could reduce the demand for our products which can adversely impact our business, results of operations, cash flows and financial condition.***

The revenue generated from our customers engaged in steel sector and auto-components sector constituted approx. 38.5% and 41.8% respectively of our revenue from operations during Fiscal 2022, which implies that our revenues are significantly dependent on the performance of the steel sector and automotive sector in India and overseas. Any downturn or cyclical fluctuation in both these sectors could reduce the demand for our products which can adversely impact our business, results of operations, cash flows and financial condition.

We believe that in the steel industry, the steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products. Any adverse change in these factors causing downturn in steel sector, may result in decreased demand for our products, which can have a material adverse affect on our business, results of operations, financial condition and prospects.

Further, the automotive industry tends to be affected directly by trends in the general economy. We believe that the automotive industry is sensitive to general economic conditions and factors such as consumer demand, consumer confidence, inflation, employment and disposable income levels, interest rate levels, demographic trends, technological changes, increasing environmental, health and safety regulations, government policies, political stability and fuel prices. Any material change in these factors resulting in significant reduction in vehicle sales and production could have a significant negative effect on the demand for our products, which can have a material adverse affect on our business, results of operations, financial condition and prospects.

**6. *Our operations involve melting of aluminium scrap in the furnaces which can be extremely dangerous and any accident, could cause serious injury to people or property which may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Our operations require individuals to work under potentially dangerous circumstances, with flammable materials as a significant portion of our business involves melting of aluminium in the hot refining section. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions
- fires
- mechanical failures and other operational problems
- inclement weather and natural disasters
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

Although we employ safety procedures during the melting of aluminium in the furnaces and maintain what we believe to be adequate insurance, there is a risk that any hazard may result in personal injury to our employees or other persons, destruction of

property or equipment, environmental damage, etc. may lead to suspension of our operations and/or imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, cash flows, financial condition and reputation. We could also face claims and litigation in India, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation could be significant. These claims and lawsuits, individually or in the aggregate, may be resolved against us inflicting negative publicity and consequently, our business, cash flows, results of operations and financial condition could be adversely affected.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects.

**7. Our Company, Promoter and Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition**

Our Company, Promoter and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Promoter and Directors our Group Companies as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable.

**Litigations/Matters against our Company:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation involving Actions by Statutory/Regulatory Authorities	1	11.77
Litigation/Matters involving Tax Liabilities	5	6.93*

\*to the extent ascertainable

**Litigations filed by our Company:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation Involving Criminal Laws (filed u/s 138 of Negotiable Instruments Act, 1881)	1	8.45
Litigation Involving Tax Liabilities	3	Not Ascertainable

**Litigations against our Promoter & Directors:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities	2	0.00*
Other Pending Litigations	1	Not Ascertainable

\*to the extent ascertainable

**Litigations filed by our Promoter & Directors:-**

(Rs. in lacs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable (Rs. in lacs)
Other Pending Litigations	1	0.74

*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**” on page 193 of this Draft Prospectus.*

There can be no assurance that these litigations will be decided in favour of our Company, Promoter and Directors, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the chapter titled “**Outstanding Litigations and Material Developments**” on page 193 of this Draft Prospectus.

**8. *We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In relation to financing the proposed project cost towards capacity expansion and modernization of existing manufacturing unit as disclosed on page 81 of the Draft Prospectus, under “Objects of the Issue”, the Company is required to obtain modification/amendment to the existing licenses/approvals such as factory license, Consolidated Consent and Authorization(CC&A) etc. at various stages of the Capacity Expansion. The Company is also required to take approval from State Electricity Board for installation of transformer and consent to establish from Gujarat Pollution Control Board. Also, our Company is in the process of making application for change in name in all the permits, licenses and approvals, which are under Company’s former name. For details regarding pending approvals, please refer to section titled “**Government and Other Approvals**” beginning on page 199 of the Draft Prospectus. There can be no assurance that the relevant authorities will issue or renew these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, the proposed capacity expansion plan may extend and any such delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. 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, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

**9. *Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to use a part of the Net Proceeds towards expansion of our manufacturing facility at Dehgam, Gandhinagar, Gujarat. For further information, refer “Objects of the Issue” on page 81 of this Draft Prospectus.

Our expansion plans remain subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facility, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre- operating expenses, taxes and duties, interest and finance charges, working capital margin and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements.

If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

***10. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

As of March 31, 2022, we own and operate one manufacturing facility in Dehgam, Gandhinagar, Gujarat with an aggregate installed production capacity of 12,000 MT for manufacturing of aluminium alloys and aluminium deox alloys. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

Further, we intend to use a part of the Net Proceeds towards expansion of our existing manufacturing facility at Dehgam, Gandhinagar, Gujarat. Adequate utilization of our expanded capacities is subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacities efficiently. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated.

In Fiscals 2022, 2021 and 2020, our overall capacity utilization for manufacturing aluminium alloys and deox alloys were 92.11%, 67.71% and 69.06% respectively. For further information, see “Our Business - Capacity and Capacity Utilization” on page 109 of this Draft Prospectus. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

***11. Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.***

The manufacturing operations of the Company are carried in the state of Gujarat in taluka Dehgam, Gandhinagar. Due to the geographical concentration of our manufacturing operations in Gujarat, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, we generate major domestic sales through our customers situated in Gujarat, Maharashtra, Orissa and Jharkhand. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations. However, our Company also sells its products to the foreign buyers located in Japan, Canada, USA, China, Hong Kong, UAE, Taiwan etc.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in


light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

***12. We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our product, which may adversely affect our business operation and financial condition.***

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, sales network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

We operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

***13. Our Company is in use of trademark, which is not registered under the Trademarks Act, 1999 as on date of Draft Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.***

The trademark & logo , which we are using for our business, has been applied for registration under class 6 under the provisions of the Trademarks Act, 1999, the current status of which is “Objected”. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

For further details on above and other trademarks, please refer to chapter titled “Our Business” beginning on page 103 of this Draft Prospectus.

***14. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.***

We intend to utilise a portion of the Net Proceeds for funding capital expenditure for expansion of the production capacity and modernization of existing manufacturing facility at Dehgam, Gandhinagar, Gujarat. While we have obtained quotations from different vendors in relation to the major machinery and equipment required for funding such capital expenditure, we are yet to place orders for such machinery and equipment. Accordingly, orders worth ₹ 252.89 lakhs, which constitute 100% of the total estimated costs in relation to expansion of the production capacities at Dehgam, Gandhinagar, Gujarat are yet to be placed. There can be no assurance that we will be able to place orders for such machinery and equipment in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

***15. We are exposed to risks associated with foreign exchange rate fluctuations.***

Our financial information is presented in Indian Rupees. However, we generate a portion of our sales internationally through export and sales outside of India. For Fiscal 2022 and 2021, our revenue from operations from outside India as a percentage of revenue from operations were 8.83% and 12.71% respectively. We also import raw materials for our operations. These imports and exports are denominated in foreign currencies, primarily in U.S. dollars. Our global operations exposes us to foreign exchange rate risks, arising primarily from our receivables, payables, export and import of goods. There can be no guarantee that such fluctuations will

not affect our financial performance in the future as we continue to expand our operations globally.

**16. Our Contingent Liability and Commitments could affect our financial position.**

As on 31<sup>st</sup> March, 2022, we had Contingent Liability of Rs. 11.77 lakhs against disputed labour case, which have not been provided in our financial statements and which could affect our financial position. For further details, please refer to Note V – Contingent Liabilities in the chapter titled “**Financial Information of the Company**” on page 146 of this Draft Prospectus.

**17. Our continued operations are critical to our business and are subject to operating risks such as breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facilities, in the event of which, our business, results of operations, financial condition and cash flows can be adversely affected.**

Our manufacturing facility is subject to operating risks, such as the breakdown or failure of machinery, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity boards. Our customer relationships, business and financial results may be materially adversely affected by any disruption of manufacturing operations, including as a result of any of the factors mentioned above.

**18. We are heavily dependent on our Promoter and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.**

Our success heavily depends upon the continued services of our Promoter and Key managerial personnel, particularly Mr. Shankerlal Bansilal Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerbhai Shah. We depend significantly on them for executing our day to day activities. The loss of any of our Promoter or Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoter and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “**Our Management**” on page 126 of this Draft Prospectus.

**19. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and certain non-compliances of provisions of Companies Act, 1956/2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company to that extent.**

There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes clerical errors in the Annual Returns filed by our Company with the ROC in past years, for instance, in the Annual Returns filed by our Company in the past, the share transfer details has been shown incorrectly. Also, the share transfer deeds executed in the past contains discrepancies in affixing stamps of proper value.

In addition, our Company was required to appoint Company Secretary from the F.Y. 1996-97 as the paid-up share capital of the Company exceeded the limits prescribed under the Companies Act, 1956, at that time, but such appointment was not done. Further, our Company has not filed e-form CHG-1 for creation of charge on certain vehicle loans, which is a non-compliance of Section 77 of the Companies Act, 2013. Also, there have been few instances in the past, where our Company has not complied with the deposit rules under Section 73 of the Companies Act, 2013/Section 58A of the Companies Act, 1956. However, as on March 31, 2022, there are no such unsecured loans outstanding, which are in violation of Section 73 of the Companies Act, 2013. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business, financial conditions and result of operations.

Further, our company has not complied with certain Accounting Standards in the past such as AS -15 (Accounting for Employee Benefits) in respect of actuarial valuation of gratuity, however the same have been duly complied by us in the restated financial statements. Also, our Company has not prepared Cash Flow Statement for the FY 2014-15 and 2015-16. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

**20. Certain of our corporate records relating to forms filed with the Registrar of Companies are not traceable.**

We do not possess some of the prescribed forms filed with the Registrar of Companies, Ahmedabad, particularly relating to forms filed for Annual Return of F.Y 1997-98, Minutes Book prior to the year 1998 and certain statutory registers pertaining to the period prior to 2011. Thus, the history of our company with regard to certain share allotments and authorised capital presented in this Draft Prospectus is based on the limited information available with the Company. For more details, please refer to chapter titled “Capital Structure” beginning on page 55 of this Draft Prospectus. While our Company believes that these ROC forms were duly filed on a timely basis, we cannot assure you that all the aforementioned forms filed with ROC will be available in the future. Further, due to the non-availability of the requisite statutory records, we may not be able to present the requisite documentary evidence to validate our point which may lead to any penal actions being taken against the Company and its operations may get adversely affected.

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

Our Company has entered into various transactions with our Directors, Promoter and Promoter Group members/entities. These transactions, inter-alia includes, issue of shares, rent, interest payments, remuneration, loans and advances, reimbursements etc. For details, please refer to **Note W - Related Party Transactions**” under Section titled “**Financial Information of the Company**” and Chapter titled “**Capital Structure**” beginning on page 174 and 55 respectively of this Draft Prospectus. For the Financial years 2022, 2021 and 2020, our expenses towards interest, rent, remuneration etc. to related parties amounted to Rs. 123.53 lakhs, Rs. 118.32 lakhs and Rs. 104.94 lakhs, which constituted 0.50%, 0.93% and 0.99% of our total expenses.

All related party transactions entered into by us in the last three financial years have been at arms’ length and in the interests of our Company. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

**22. Our Company had negative operating cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of operating cash flows is summarized in below mentioned table and our Company has reported negative operating cash flow in F.Y. 2020-21. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

Particulars	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2019-20
Net Cash flow from Operating Activities	299.64	-112.57	556.36

**23. We do not own the Registered Office from which we carry out our business activities. In case of non renewal of rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.**

Our registered office situated at Ahmedabad, is being taken by us on rent from our Promoter & Whole Time Director, Mr. Shankerlal Bansilal Shah. The said property has been obtained on rent vide leave and licence agreement dated February 04, 2022 for a period of 11 months and 29 days w.e.f. January 01, 2022. In the event of termination/non renewal of said rent agreement, we may be required to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus can adversely affect our business, financial condition and result of operations.

There can be no assurance that we will, in the future, be able to retain or/and renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the registered office on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of

operations.

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

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the solvent extraction and refining business, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

***25. Adverse publicity regarding our products could negatively impact us.***

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

***26. The average cost of acquisition of Equity Shares by our Promoter, is lower than the face value of Equity Share.***

The average cost of acquisition of Equity Shares of our Promoter is lower than the face value of Equity Shares i.e. ₹ 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares of our Promoter in our Company, please see Chapter titled "Capital Structure" beginning on page 55 of this Draft Prospectus.

***27. Dependence upon transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in rejection of products by customer.***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

***28. Delays or defaults in client payments could affect our operations.***

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

***29. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

We have obtained insurance coverage in respect of certain risks related to fire, theft, explosion, lightening, earthquake and other natural calamities for our factory building, plant & machinery, furniture and stock. Also, we have obtained insurance policies in respect of employees compensation and vehicle insurance. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as product defect/liability risk, loss of profits, machinery breakdown, goods in transit, cash in transit and keyman insurance. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not

disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

***30. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.***

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse affect on our business, and results of operations.

***31. The Promoters (including Promoter Group) and Directors hold almost 100% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoter and Promoter Group*” and “*Note W - Related Party Transactions*”, beginning on pages 103, 141 and 174 respectively of this Draft Prospectus.

***32. We have incurred indebtedness which exposes us to various risks which may have an adverse affect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2022, our total outstanding indebtedness was ₹ 5074.82 lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse affect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “Statement of Financial Indebtedness” on page 180 of this Draft Prospectus.

***33. Loans availed by Our Company has been secured on personal guarantees of our Director. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors.***

Our Promoter & Directors, Mr. Shankerlal Bansilal Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerbhai Shah, along with Promoter Group member, Mrs. Savita S. Shah has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse affect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which

could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “Statement of Financial Indebtedness” on page 180 of this Draft Prospectus.

**34. *Relevant copies of educational qualification of one of our Director is not traceable.***

Relevant copies of the educational qualification of our Chairman & Whole Time Director, Mr. Shankerlal Bansilal Shah is not traceable. In accordance with the disclosure requirements in respect of brief biographies of the Directors, we have relied on affidavit provided by such Director for the purpose of disclosure in the section entitles “Our Management” on page 126 of this Draft Prospectus.

**35. *Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations***

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be covered by the insurance policies availed by our Company and may have an affect our business, cash flows, financial condition and results of operations For further details of our Plant and Machineries, please refer to chapter titled “*Our Business*” beginning on page 103 of the Draft Prospectus.

**36. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be affective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**37. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for expansion and modernization of existing manufacturing facility and funding working capital requirements, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 81 of this Draft Prospectus.

**38. *We may not be able to sustain effective implementation of our business and growth strategy.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse affect on our business, financial condition and results of operations.

**39. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to

comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “Statement of Financial Indebtedness” on page 180 of the Draft Prospectus.

***40. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

We specialize in the manufacture and supply of (i) aluminium alloys in the form of ingots and (ii) aluminium deox alloys in the form of cubes, ingots, shots and notch bar, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

***41. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”. The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 81 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

***42. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled “***Our Business***” on page 103 of this Draft Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “***Dividend Policy***” on page 145 of the Draft Prospectus.

***44. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the

audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

***45. Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoter along with the promoter group will continue to hold collectively 73.37% of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***46. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

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

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 87 of the Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

***48. Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse

changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

## **EXTERNAL RISK FACTORS**

### ***49. The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.***

During the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and workforce. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

### ***50. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse affect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse affects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

### ***51. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Government and Other Approvals**" on page 199 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in 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 implementation of

the new regulations may have a material adverse affect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

***52. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse affects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion affect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse affect on our business, operations, financial condition, profitability and price of our Equity Shares.

***53. Natural calamities could have a negative impact on the Indian economy and cause Our Company’s business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

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

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

***55. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***56. Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse affect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will

continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

## SECTION IV - INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)</sup></b>	Issue of upto 27,60,000 Equity Shares of face value of Rs.10 each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares of face value of Rs.10 each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs.
<b>Net Issue to the Public</b>	[●] Equity Shares of face value of Rs.10 each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs.
<b>Out of which*</b>	
A. Retail Individual Investors	At least [●] Equity Shares of face value of Rs.10 each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs will be available for allocation to Retail Individual Investors <sup>(a)</sup> .
B. Other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers)	Not more than [●] Equity Shares of face value of Rs.10 each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs will be available for allocation to investor other than Retail Individual Investors <sup>(b)</sup> .
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	76,08,530 Equity Shares of face value of Rs.10 each
<b>Equity Shares outstanding after the Issue</b>	Upto 1,03,68,530 Equity Shares of face value Rs.10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 81 of this Draft Prospectus.

<sup>(1)</sup> Public issue upto 27,60,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. [●] per Equity Share of our Company aggregating to Rs. [●] Lakhs. 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 refer to section “*Issue Structure*” beginning on page 222 of this Draft Prospectus.

The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on May 27, 2022, and by our Equity Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on June 22, 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 OUR FINANCIALS**

**ANNEXURE – I  
RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Lakhs)

PARTICULARS		Notes	As at the Year/Period ended		
			31/03/2022	31/03/2021	31/03/2020
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1.</b>	<b><u>Shareholders' Funds</u></b>				
(a)	Share Capital	A	456.51	375.00	375.00
(b)	Reserves & Surplus	A	1,213.00	706.02	658.23
(c)	Share Application Money			-	-
			<b>1,669.51</b>	<b>1,081.02</b>	<b>1,033.23</b>
<b>2.</b>	<b><u>Non-Current Liabilities</u></b>				
(a)	Long Term Borrowings	B	565.74	748.91	188.65
(b)	Deferred Tax Liabilities (Net)	C	62.60	62.58	58.21
(c)	Long Term Provisions	C-1	7.29	7.92	8.98
			<b>635.62</b>	<b>819.42</b>	<b>255.83</b>
<b>3.</b>	<b><u>Current Liabilities</u></b>				
(a)	Short Term Borrowings	D	<b>4,476.34</b>	<b>3,009.85</b>	<b>2,918.84</b>
(b)	Trade Payables	E		-	-
	(A) outstanding dues of MSME			-	-
	(B) Total outstanding dues of creditors other than MSME.		1,051.31	970.86	191.54
(c)	Other Current Liabilities	F	228.79	388.87	98.71
(d)	Short Term Provisions	G	128.80	30.96	36.91
			<b>5,885.25</b>	<b>4,400.55</b>	<b>3,246.01</b>
	<b>Total</b>		<b>8,190.39</b>	<b>6,301.00</b>	<b>4,535.09</b>
<b>B)</b>	<b><u>ASSETS</u></b>				
<b>1.</b>	<b><u>Non - Current Assets</u></b>				
(a)	Property, Plant and Equipment and Intangible assets	H			
	I) Property, Plant and Equipment				
	(i) Gross Block		1,303.09	1,237.88	1,135.33
	(ii) Depreciation		591.58	516.70	502.29
	(iii) Net Block		711.51	721.18	633.04
	II) Intangible Assets			-	-
	III) Capital Work-in-Progress			-	-
	IV) Intangible assets under development			-	-
			<b>711.51</b>	<b>721.18</b>	<b>633.04</b>
(b)	Non-Current Investment			-	-
(c)	Deferred Tax Assets (Net)			-	-
(d)	Long Term Loans and Advances			-	-
(e)	Other Non-Current Assets			-	-
<b>2.</b>	<b><u>Current Assets</u></b>				
(a)	Trade Receivables	I	3,817.29	2,550.08	2,143.94
(b)	Cash and Cash equivalents	J	37.69	24.84	22.25
(c)	Inventories	K	3,084.75	2,333.04	1,494.18
(d)	Short-Term Loans and Advances	L	490.14	665.94	237.11
(e)	Other Current Assets	M	49.01	5.92	4.56
			<b>7,478.88</b>	<b>5,579.83</b>	<b>3,902.04</b>
	<b>Total</b>		<b>8,190.39</b>	<b>6,301.00</b>	<b>4,535.09</b>

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. In Lakhs)

PARTICULARS		Note	For the Year/ period ended		
			31/03/2022	31/03/2021	31/03/2020
<b>1</b>	<b>Revenue From Operations</b>	N	24,839.76	12,748.33	10,575.75
<b>2</b>	<b>Other Income</b>	O	86.30	31.69	20.09
	<b>Total Income (1+2)</b>		<b>24,926.06</b>	<b>12,780.02</b>	<b>10,595.84</b>
<b>3</b>	<b>Expenditure</b>				
(a)	Raw Material Consumption	P	22,099.14	11,231.94	9,035.48
(b)	Change in inventories of finished goods, work in progress and stock in trade	Q	48.95	(263.66)	51.30
(c)	Employee Benefit Expenses	R	852.36	614.85	580.00
(d)	Finance Cost	S	348.95	312.02	288.49
(e)	Depreciation and Amortisation Expenses	T	74.88	64.58	59.02
(f)	Other Expenses	U & UA	1,096.15	744.94	553.57
<b>4</b>	<b>Total Expenditure 3(a) to 3(f)</b>		<b>24,520.41</b>	<b>12,704.68</b>	<b>10,567.86</b>
<b>5</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (2-4)</b>		405.65	75.34	27.99
<b>6</b>	<b>Exceptional and Extra-ordinary items</b>		-	-	-
<b>7</b>	<b>Profit/(Loss) Before Tax (5-6)</b>		<b>405.65</b>	<b>75.34</b>	<b>27.99</b>
<b>8</b>	<b>Tax Expense:</b>				
(a)	Tax Expense for Current Year		115.48	18.31	3.09
(b)	Short/(Excess) Provision of Earlier Year		(1.82)	4.87	0.15
(c)	Deferred Tax		0.01	4.38	5.56
	<b>Net Current Tax Expenses</b>		<b>113.67</b>	<b>27.56</b>	<b>8.80</b>
<b>9</b>	<b>Profit/(Loss) for the Year (7-8)</b>		<b>291.98</b>	<b>47.78</b>	<b>19.19</b>

**ANNEXURE – III**  
**RESTATED CASH FLOW STATEMENT**

(Rs. In Lakhs)

PARTICULARS		FOR THE YEAR ENDED		
		31/03/2022	31/03/2021	31/03/2020
<b>A</b>	<b>Cash Flow From Operating Activities:</b>			
	Net Profit Before Tax	405.65	75.34	27.99
	Add:-			
	Finance Cost	348.95	295.88	288.49
	Depreciation	74.88	64.58	59.02
	Provision for Gratuity	0.52	-2.05	2.24
	Less:-			
	Short/ Excess Provision Written Off	1.82	-4.87	-0.15
	Profit On Sale Of Car		-1.18	
	Interest Received	-14.04	-2.29	-0.21
	<b>Operating Profit Before Working Capital Changes</b>	<b>817.78</b>	<b>425.4</b>	<b>377.38</b>
	Add/Less Adjustments For			
	Inventories	-751.71	-838.87	435.54
	Trade And Other Receivables	-1,267.21	-406.13	-545.58
	Other Current Assets	-43.08	-1.36	-0.70
	Trade Payables	80.45	779.32	-203.83
	Other Current Liabilities	-160.08	290.16	88.85
	Short Term Provisions	96.70	(4.97)	(2.97)
	Short Term Borrowings	1,466.49	91.01	301.63
	Short Term Loan & Advances	175.80	-428.83	109.13
	<b>Operating Profit After Working Capital Changes</b>	<b>415.13</b>	<b>-94.26</b>	<b>559.45</b>
	Less:- Taxes Paid	-115.48	-18.31	-3.09
	<b>Net Cash Flow From Operating Activities</b>	<b>299.64</b>	<b>-112.57</b>	<b>556.36</b>
<b>B</b>	<b>Cash Flow From Investing Activities :</b>			
	Purchase Of Fixed Assets	-65.33	-163.56	-111.96
	Sale Of Fixed Assets	0.11	12.01	0
	Increase In Reserves In Case Of Merger	215.01		
	Interest Received	14.04	2.29	0.21
	<b>Net Cash Used In Investing Activities</b>	<b>163.83</b>	<b>-149.26</b>	<b>-111.75</b>
<b>C</b>	<b>Cash Flow From Financing Activities :</b>			
	Proceeds From Long Term Borrowings	-183.18	560.27	-152.72
	Finance Cost	-348.95	-295.88	-288.49
	Issue Of Share Capital Pursuant To Merger	81.51	0	0
	<b>Net Cash Used In Financing Activities</b>	<b>-450.61</b>	<b>264.39</b>	<b>-441.21</b>
	<b>Net Increase In Cash And Cash Equivalents</b>	<b>12.86</b>	<b>2.56</b>	<b>3.40</b>
	Opening Balance Of Cash And Cash Equivalents	<b>24.83</b>	<b>22.25</b>	<b>18.65</b>
	Closing Balance Of Cash And Cash Equivalents	<b>37.69</b>	<b>24.83</b>	<b>22.05</b>
	<b>Components Of Cash And Cash Equivalents</b>			
	Cash On Hand	5.36	1.57	0.6
	Balances With Banks	32.32	23.26	21.65
	<b>Total</b>	<b>37.69</b>	<b>24.83</b>	<b>22.25</b>

## GENERAL INFORMATION

### Brief Summary:

Our Company was originally incorporated as a public limited Company under the name of “Baheti Metal And Ferro Alloys Limited” on December 28, 1994 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli bearing registration number as 04-24001. Subsequently, the name of our Company was changed from “Baheti Metal And Ferro Alloys Limited” to “Baheti Recycling Industries Limited” vide a fresh certificate of incorporation dated January 25, 2022, issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U37100GJ1994PLC024001.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 122 of this Draft Prospectus.

<b>Registered Office</b>	A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India <b>Tel. No.:</b> +91-79-25627681/82 <b>Email:</b> <a href="mailto:info@bahetiindustries.com">info@bahetiindustries.com</a> <b>Website:</b> <a href="http://www.bahetiindustries.com">www.bahetiindustries.com</a> <b>CIN:</b> U37100GJ1994PLC024001 <b>Registration Number:</b> 024001
<b>Factory Unit</b>	176-197-198, Shreenath Ind, Estate, Post- Sampa, Tal. Dehgam, Gandhinagar, Gujarat, 382305

### Address of the RoC:

#### Registrar of Companies, Ahmedabad

ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop,  
 Naranpura, Ahmedabad – 380 013, Gujarat

**Phone:** 079-27438531

**Email:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### Board of Directors:

The Board of Directors of our Company as on the date of filing of this Draft Prospectus consists of:

Name of Director	Designation	Address	DIN
Mr. Shankerlal Bansilal Shah	Chairman & Whole Time Director	6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat – 380004, India	00131715
Mr. Balkishan Shankerlal Shah	Managing Director	6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujrat – 380004, India.	03006486
Mr. Yash Shankerlal Shah	Joint Managing Director	6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujrat – 380004, India.	09527701
Mrs. Ayushi Yash Shah	Non-Executive Director	6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujrat – 380004, India	09527729
Mr. Satya Narain Mittal	Independent Director	House No. 1098, Sector-13 P, Hisar, Haryana – 125 001, India	09533705
Mr. Jaimish Govindbhai Patel	Independent Director	412-2306, Gujrat Housing Board Nr, Navarang Flat, Bapunagar, Ahmedabad City, Gujarat – 380 024, India.	09647742

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 126 of this Draft Prospectus.

#### **Chief Financial Officer**

**Mr. Manoj Kumar Shah**  
**Baheti Recycling Industries Limited**  
**Address:** A-2/3, L.R. Apartments,  
 Opp. Police Commissioner Office,  
 Shahibaug, Ahmedabad – 380 004,  
 Gujarat, India  
**Tel. No.:** +91-79-25627681/82  
**Email:** manoj@bahetimetel.com

#### **Company Secretary & Compliance Officer**

**Mrs. Mansi Harsh Darji**  
**Baheti Recycling Industries Limited**  
**Address:** A-2/3, L.R. Apartments,  
 Opp. Police Commissioner Office,  
 Shahibaug, Ahmedabad – 380 004,  
 Gujarat, India  
**Tel. No.:** +91-79-25627681/82  
**Email:** cs@bahetiindustries.com

#### **Investor Grievances:**

**Investors can contact the Company Secretary and Compliance Officer, the LM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant LM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the LM.

#### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Lead Manager of the Issue</b>	<b>Legal Advisor to the Issue</b>
<b>Hem Securities Limited</b> Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel No.:+91-22-4906 0000 Fax No.:+91-22-22625991 Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Investor Grievance Email: <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a>	<b>Vedanta Law Chambers</b> Address: Ist Floor, SSK House, B-62, Sahakar Marg, LalKothi, Jaipur-302015 Rajasthan, India Tel: +91- 141 -2740911, 4014091 Fax: +91- 141 -2740911 Website: <a href="http://www.vedantalawchambers.com">www.vedantalawchambers.com</a> Email: <a href="mailto:vedantalawchambers@gmail.com">vedantalawchambers@gmail.com</a> Contact Person: Advocate Nivedita Ravindra Sarda

Website: <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> Contact Person: Mr. Akun Goyal SEBI Reg. No.: INM000010981	
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<b>Purva Sharegistry (India) Private Limited</b> Address: - 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai – 400 011, Maharashtra, India Tel No.: +91-022-23018261 Fax No.: +91-022-23012517 Email: <a href="mailto:support@purvashare.com">support@purvashare.com</a> Investor Grievance Email: <a href="mailto:support@purvashare.com">support@purvashare.com</a> Website: <a href="http://www.purvashare.com">www.purvashare.com</a> Contact Person: Ms. Deepali Dhuri SEBI Regn. No. INR000001112 CIN: U67120MH1993PTC074079	<b>M/s. Wadhawan &amp; Co.</b> <b>Chartered Accountants,</b> Address: 703, 7 <sup>th</sup> Floor, Sarap, Opp. Navjivan Press, Navjivan, Ahmedabad – 380 014, Gujarat, India Tel No.: +91-079-48991220 Email: wadhawanandco@gmail.com Firm Registration No.: 0129455W Contact Person: Mr. Ajit A. Wadhawan Peer Review Certificate No.: 012543
<b>Bankers to the Company</b>	<b>Advisors to the Issue</b>
<b>Axis Bank Limited</b> <b>Address:</b> Axis Bank Limited, Axis House, Wadia International Center, P.B. Marg, Worli, Mumbai – 400 025 <b>Tel:</b> +91 97699 23882 <b>Email:</b> sudarshan.srinivasan@axisbank.com <b>Contact Person:</b> Mr. Sudarshan Srinivasan <b>Designation:</b> Assistant Vice President	<b>CA Jeevan Jagetiya</b> <b>Address:</b> Jeevan Jagetiya & Co., Chartered Accountants, 210, Shilp-II, Above HDFC bank, Near Sales India, Income tax cross road, Ashram road, Ahmedabad – 380009 <b>Tel:</b> 079-27541850, +91-9825065031 <b>Email:</b> ca.jeevan@gmail.com <b>Contact Person:</b> Mr. Jeevan Jagetiya
<b>Bankers to the Issue/ Sponsor Bank*</b>	
[•]	

*\*The Banker to the Issue (Sponsor Bank) shall be appointed prior to filing of the Prospectus with the RoC.*

#### Designated Intermediaries:

#### Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>;  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

#### 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

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

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

### **Collecting Depository Participants**

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

### **Brokers to the Issue**

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

### **Expert Opinion**

Except the report of the Auditor on statement of special tax benefits and report on restated financial statements prepared for the financial year ended March 31, 2022, 2021 and 2020 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Manager is not applicable.

### **Monitoring Agency**

Since the proceeds from the Fresh Issue do not exceed Rs.1000 million, in terms of Regulation 262(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

### **Credit Rating**

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

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

### **Debenture Trustees**

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

## Filing of Draft Prospectus

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

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

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC Office situated at Registrar of Companies, Ahmedabad, ROC-cum-Official Liquidator, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat.

## Withdrawal of the Issue

Our Company in consultation with the LM, reserve the right to 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 anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. 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 LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

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 have to file a fresh 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 registration of Prospectus with RoC.

## Underwriting

The Company and the Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter [•].

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
[•]	[•]	[•]	[•]

\*Includes [•] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, [•] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

### Change in Auditors during the last three (3) years

There has been no change in our Company's auditors in the last three (3) years.

### Details of the Market Making arrangement for this Issue

Our Company and the LM has entered into Market Making Agreement dated [•] with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	[•]
<b>Correspondence Address:</b>	
<b>Tel No.:</b>	
<b>E-mail:</b>	
<b>Website:</b>	
<b>Contact Person:</b>	
<b>SEBI Registration No.:</b>	
<b>Market Maker Registration No.</b>	

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 NSE and SEBI regarding this matter from time to time.

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 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 the NSE Emerge (SME platform of NSE) and SEBI from time to time.
- 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.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [•] equity shares; however the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 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.
- 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.

- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 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 six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.  
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 LM 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, as amended. Further our Company and the LM 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 particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** Emerge portal of NSE will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** NSE Emerge Exchange 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 Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** 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.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

- i. 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.
- ii. 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.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

(Rs. in Lacs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,05,00,000 Equity Shares having Face Value of ₹ 10/- each	1,050.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 76,08,530 Equity Shares having Face Value of ₹10/- each	760.85	-
C	<b>Present Issue in terms of this Draft Prospectus*</b> Upto 27,60,000 Equity Shares having Face Value of ₹ 10/-each at a premium of ₹ [●] per share	276.00	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> [●]Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i>		
	i. At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	ii. Not more than [●] Shares aggregating up to Rs. [●] lakhs will be available for allocation to investors other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers).	[●]	[●]
F	<b>Issued, Subscribed and Paid up Equity Share Capital after the Issue</b>		
	1,03,68,530 Equity Shares of face value of ₹10/- each	1036.85	
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Prospectus)	Nil	
	After the Issue	[●]	

*\*The Present Issue of upto 27,60,000 Equity Shares in terms of this Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated May 27, 2022 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on June 22, 2022.*

### Classes of Shares:-

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

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

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital ( Rs. in lakhs)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	1,00,000	10/-	10.00	On	N.A.

*Baheti Recycling Industries Limited*

					Incorporation	
2.	Increase in Authorized Share Capital from ₹10.00 Lakhs to ₹ 1.50 Crore	15,00,000	10/-	150.00	March 29, 1995	EGM
3.	Increase in Authorized Share Capital from ₹1.50 Crore to ₹ 2.00 Crore	20,00,000	10/-	200.00	June 03, 1995	EGM
4.	Increase in Authorized Share Capital from ₹2.00 Crore to ₹ 3.00 Crore	30,00,000	10/-	300.00	August 01, 1997	EGM
5.	Increase in Authorized Share Capital from ₹3.00 Crore to ₹ 4.00 Crore	40,00,000	10/-	400.00	July 15, 1998	EGM
6.	Increase in Authorized Share Capital from ₹4.00 Crore to ₹ 10.50 Crore	105,00,000	10/-	1050.00	February 14, 2022	EGM

**2. Equity Share Capital History of our Company:**

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

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable(₹)	Consideration on Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares
Upon Incorporation	700	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	700
March 31, 1995	1,41,380	10/-	10/-	Cash	Further Issue of Shares* <sup>(ii)</sup>	1,42,080
May 25, 1995	5,91,530	10/-	10/-	Cash	Further Issue of Shares* <sup>(iii)</sup>	7,33,610
August 22, 1995	10,400	10/-	10/-	Cash	Further Issue of Shares* <sup>(iv)</sup>	7,44,010
August 24, 1995	6,55,990	10/-	10/-	Cash	Further Issue of Shares* <sup>(v)</sup>	14,00,000
November 04, 1996	4,00,000	10/-	10/-	Cash	Further Issue of Shares* <sup>(vi)</sup>	18,00,000
November 12, 1997	4,50,000	10/-	10/-	Cash	Further Issue of Shares* <sup>(vii)</sup>	22,50,000
July 31, 1998	7,50,000	10/-	10/-	Cash	Further Issue of Shares* <sup>(viii)</sup>	30,00,000
February 10, 2000	7,50,000	10/-	Nil	Other than cash	Bonus issue in the Ratio of 1:4 <sup>(ix)</sup>	37,50,000
March 31, 2022	(6,84,882)	10/-	Nil	-	Cancellation	30,65,118

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					of Equity Shares pursuant to Merger <sup>(x)</sup>	
	15,00,000	10/-	10/-	Other than cash	Upon Merger of Yash Metals Private Limited <sup>(xi)</sup>	45,65,118
June 27, 2022	30,43,412	10/-	Nil	Other than cash	Bonus issue in the Ratio of 2:3 <sup>(xii)</sup>	76,08,530

*All the above mentioned shares are fully paid up since the date of allotment.*

*\* Minutes and resolutions for the said allotments are not available with the Company, thus the nature of allotment cannot be traced. The details in respect of share allotments have been inserted based on the Form-2 filed with ROC and limited information available with the Company. Please refer to Risk Factor "Certain of our corporate records relating to forms filed with the Registrar of Companies are not traceable." on page 32 of this Draft Prospectus.*

*(i) Initial Subscribers to the Memorandum of Association subscribed 700 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:*

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Bansilal Ramkishan Shah	100
2.	Mr. Shankerlal Bansilal Shah	100
3.	Mr. Kshitish Madanmohan Shah	100
4.	Mr. Banshilal Gordhanlal Shah	100
5.	Mrs. Savitaben Shankerlal Shah	100
6.	Mrs. Rupalben Bansilal Shah	100
7.	Mr. Jamnalal Maliwal	100
	<b>Total</b>	<b>700</b>

*(ii) Allotment of 1,41,380 Equity Shares of Face Value of Rs. 10/- each as per details given below:*

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bansilal R. Shah and Mr. Shankerlal B. Shah	10,870
2.	Mr. Shankerlal R. Shah and Mrs. Savitaben S. Shah	4,010
3.	Mrs. Rupalben B. Shah and Mr. Shankerlal B. Shah	9,000
4.	Mrs. Savitaben S. Shah and Mr. Shankerlal B. Shah	2,000
5.	Yash Shah (Minor)	4,000
6.	Yash Metals Pvt. Limited (formerly known as Baheti Metals & Alloys Private Limited)	20,000
7.	Shankerlal B. Shah HUF	77,000
8.	Mr. Sunderlal Chandak	1,500
9.	Mr. Ramkishan R. Shah and Mr. Shankerlal B. Shah	500
10.	Mr. Choudhary Ram Chawla	1,000
11.	Mr. Vikas Chawla	1,000
12.	Ms. Priti Chawla	1,000
13.	Mr. Sunil Kumar Chawla	1,000
14.	Mrs. Rajrani Chawla	1,000
15.	Mr. Rajiv ShyamkumarVaishnav	2,500
16.	Mr. Hitesh K. Thakkar	2,500

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17.	Mrs. Jeshal K. Thakkar	2,500
	<b>Total</b>	<b>1,41,380</b>

(iii) Allotment of 5,91,530 Equity Shares of Face Value of Rs. 10/- each on Private placement basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bansilal Ramkishan Shah	69,000
2.	Mr. Shankerlal Bansilal Shah	2,42,500
3.	Mrs. Savitaben Shankerlal Shah	11,500
4.	Mrs. Rupalben Bansilal Shah	9,000
5.	M/s. Shankerlal B. Shah HUF	79,500
6.	Mr. Shitalbhai Omprakash Agrawal	20,000
7.	Mrs. Poonamben Shitalbhai Agrawal	20,000
8.	Mr. Nareshbhai RadheshyamTulshyan	10,000
9.	Mrs. Sonalben Shitalbhai Agrawal	10,000
10.	Mrs. Dipika Pankajbhai Shah	2,500
11.	Mrs. Sushiladevi J. Jhanwar	2,500
12.	Mrs. Sohandevi B. Jhanwar	2,500
13.	Mrs. KamladeviPushkerlal Maliwal	2,500
14.	Mrs. Lilaben M. Maliwal	3,000
15.	Minor Swetaben Maliwal	1,800
16.	Minor Kamlesh Pushkerlal Maliwal	1,500
17.	Minor Rakesh Pushkerlal Maliwal	1,200
18.	Mr. Dilip Bhagat Ramkishan	2,500
19.	Mrs. Madhudevi Dilipkumar	2,500
20.	Mr. Sunil G. Kabra	2,500
21.	Minor Ritish GovindVallabh Kabra	2,500
22.	Mr. Satyaprakash N. Gelra	2,000
23.	Minor Rinku Bhandari	2,500
24.	Mrs. Umadevi Rameshwarlalji	2,500
25.	Mr. Sureshchandra Mohanlal Mandowara	2,500
26.	Mr. Subhashchandra Mohanlal Mandowara	2,500
27.	Mr. Rajesh Kumar S. Gelra	2,500
28.	Mrs. Shantadevi S. Gelra	2,500
29.	Mr. Satyanarayanji S. Bhatt	1,500
30.	Mr. Gopalbhai S. Bhatt	1,500
31.	Mrs. Geetaben R. Samariya	2,000
32.	Mrs. KiranbenRameshchandra	2,000
33.	Mr. Pradeep Ramkhilonaji	2,000
34.	Mr. Rakesh Ramkhilonaji	2,500
35.	Mr. Rameshchandra Porwal	2,500
36.	Mr. Rakesh Satyaprakash Gelra	2,500
37.	Mr. Balkishan S. Shah	2,500
38.	Mr. Prasram B. Sambariya	2,000
39.	Mr. Bherulal G. Mundra	2,000
40.	Mr. Jagdishchandra C. Kabra	2,000
41.	Mrs. Badambai Bherulal Mundra	2,000

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42.	Mr. Shankerlal G. Bahedia	5,000
43.	Minor Kaushal Omprakash Mandowara	11,660
44.	Minor Payal Omprakash Mondowara	11,870
45.	Mrs. Ashadevi Ganeshlal Mundra	10,000
46.	Mrs. Chanchal Ganeshlal Mundra	10,000
	<b>Total</b>	<b>5,91,530</b>

(iv) Allotment of 10,400 Equity Shares of Face Value of Rs. 10/- each on Private Placement basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Hemant A. Maheshwari	5,400
2.	Mr. Harish A. Maheshwari	5,000
	<b>Total</b>	<b>10,400</b>

(v) Allotment of 6,55,990 Equity Shares of Face Value of Rs. 10/- each on Private Placement basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bansilal Ramkishan Shah	49,800
2.	Mr. Shankerlal Bansilal Shah	2,25,390
3.	Mrs. Savitaben Shankerlal Shah	70,400
4.	Mrs. Roopalben Bansilal Shah	15,400
5.	Yash Metals Pvt. Limited (formerly known as Baheti Metals & Alloys Private Limited)	1,30,000
6.	M/s. Shankerlal B. Shah HUF	1,43,500
7.	Mr. Ramkishan R. Shah and Mr. Shankerlal B. Shah	1,500
8.	Mr. Bansilal R. Shah (Partner) Shreenathji Metal Inds.	15,000
9.	M/s. Bansilal Ramkishan Shah HUF	5,000
	<b>Total</b>	<b>6,55,990</b>

(vi) Allotment of 4,00,000 Equity Shares of Face Value of Rs. 10/- each on as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bansilal Ramkishan Shah	1,73,000
2.	Mr. Shankerlal Bansilal Shah	28,000
3.	Mrs. Savitaben Shankerlal Shah	1,28,000
4.	Mrs. Roopalben Bansilal Shah	71,000
	<b>Total</b>	<b>4,00,000</b>

(vii) Allotment of 4,50,000 Equity Shares of Face Value of Rs. 10/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bansilal Ramkishan Shah	2,00,000
2.	Mr. Shankerlal Bansilal Shah	1,50,000
3.	Mrs. Savitaben Shankerlal Shah	50,000
4.	Minor Yash Shah	10,000
5.	Yash Metals Pvt. Limited (formerly known as Baheti Metals & Alloys Private Limited)	15,000
6.	Minor Balkishan S. Shah	25,000
	<b>Total</b>	<b>4,50,000</b>

(viii) Allotment of 7,50,000 Equity Shares of Face Value of Rs. 10/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bansilal Ramkishan Shah	2,50,000
2.	Mr. Shankerlal Bansilal Shah	2,00,000
3.	Mrs. Savitaben Shankerlal Shah	1,50,000
4.	Mrs. Rupalben Bansilal Shah	1,50,000
	<b>Total</b>	<b>7,50,000</b>

(ix) Bonus issue of 7,50,000 Equity Shares of Face Value of Rs. 10/-each in the ratio of 1:4 i.e. One (1) Bonus Equity Share for every Four (4) Equity Shares held by shareholders. (refer point no. 4 below for allottees list)

(x) Cancellation of 6,84,882 Equity shares held by Yash Metals Private Limited, on account of the scheme of Amalgamation. For details, refer "History and Corporate Structure" on page 122.

(xi) Allotment of 15,00,000 equity shares of Face Value of Rs. 10/- each, pursuant to Merger of Yash Metals Private Limited with our Company, as per the details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Shankerlal B. Shah	8,86,500
2.	Mr. Bansilal G. Shah	300
3.	Mrs. Savitaben S. Shah	1,72,785
4.	Mr. Yash Shah	1,99,500
5.	Mr. Balkishan Shah	1,53,915
6.	M/s. Shankerlal B. Shah HUF	39,000
7.	Mrs. Rashmiben B. Shah	48,000
	<b>Total</b>	<b>15,00,000</b>

For details, refer "History and Corporate Structure" on page 122.

(xii) Bonus issue of 30,43,412 Equity Shares of Face Value of Rs. 10/-each in the ratio of 2:3i.e. Two (2) Bonus Equity Shares for every Three (3) Equity Shares held by shareholders. (refer point no. 4 below for allottees list)

b) As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned in point number 4 below, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Prospectus.

4. Issue of Equity Shares for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
February 10, 2000	7,50,000	10/-	Nil	Bonus Issue in the ratio of 1:4	Capitalization of Reserves & Surplus	Mr. Shankerlal Bansilal Shah	4,13,222
						Mr. Kshitish Madanmohan Shah	25
						Mr. Bansilal Gordhanlal Shah	25
						Mrs. Savitaben Shankerlal Shah	1,02,500
						Mrs. Rupalben Bansilal Shah	61,375
						Mr. Jamnalal Maliwal	25
						Mr. Shankerlal Bansilal Shah	2718

					Mr. Shankerlal B. Shah and Mrs. Savitaben S. Shah	1,002
					Mrs. Rupalben B. Shah and Mr. Shakerlal B. Shah	2,250
					Mrs. Savitaben S. Shah and Mr. Shakerlal B. Shah	500
					Minor Yash Shah	3,500
					Yash Metals Pvt. Limited (formerly known as BahetiMetals & Alloys Private Limited)	41,250
					M/s. Shankerlal B. Shah HUF	75,000
					Mr. SunderlalChandak	375
					Mr. Shankerlal B. Shah	500
					Mr. Choudhary Ram Chawla	250
					Mr. Vikas Chawla	250
					Mrs. Priti Chawla	250
					Mr. Sushil Kumar Chawla	250
					Mrs. Rajrani Chawla	250
					Mr. Rajiv Shyam Kumar	625
					Mr. Hitesh Krishnadas Thakkar	625
					Mrs. JeshalKrishnadas	625
					Mrs. DipikaPankajbhai Shah	625
					Mrs. Sushiladevi J. Jhanwar	625
					Mrs. Sohadevi B. Jhanwar	625
					Mrs. KamladeviPushkerlal	625
					Mrs. Lilaben M. Maliwal	750
					Minor Swetaben	450
					Minor KamleshPushkerlal	375
					Minor Rakesh Pushkerlal	300
					Mr. Dilipkumar B. Kasara	625
					Mr. MadhudeviDilipkumar	625
					Mr. Sunil G. Kabra	625
					MinorRitish G. Kabra	625
					Mr. Satyaprakash N. Gelra	500
					MinorRinku R Bhandari	625
					Mrs. Umadevi R. Bhandari	625
					Mr. Suresh C. Mohanlal	625
					Mr. SubhashMohanlal	625
					Mr. Rajesh Kumar S. Gelra	625
					Mrs. Shantadevi S. Gelra	625
					Mr. Satyanarayan B. Bhatt	375
					Mr. Gopal S. Bhatt	375
					Mrs. Geetaben R. Samariya	500
					Mrs. KiranbenRameshchandra	500
					Mr. Pradeep B. Samariya	500
					Mr. Rakesh R. Samriya	625
					Mr. RameshchandraPorwal	625
					Mr. Rakesh Gelra	625
					Minor Balkishan S. Shah	6,875
					Mr. Prashram B. Sambariya	500
					Mr. Bherulal G. Mundra	500
					Mr. Jagdish C. Kabra	500
					Mrs. Badambai Bherulal	500

						Mundra	
						Mr. Shankerlal G. Bahedia	1,250
						Minor Kaushal Mandowara	2,915
						Minor Payal Mondowara	2,968
						Mrs. Ashadevi Ganeshlal Mundra	2,500
						Mrs. Chanchal Ganeshlal Mundra	2,500
						Mr. Hemant A. Maheshwari	1,350
						Mr. Harish A. Maheshwari	1,250
						Mrs. Savitben S. Shah as Partner of SMI	3,750
						<b>Total</b>	<b>7,50,000</b>
June 27, 2022	30,43,412	10/-	-	Bonus Issue in the ratio of 2:3	Capitalization of Reserves & Surplus	Mr. Shankerlal B. Shah	11,53,600
						Mrs. Savitaben S. Shah	3,08,462
						Mr. Balkishan S. Shah	6,00,000
						M/s. Shankerlal B. Shah HUF	1,14,684
						Mr. Yash S. Shah	6,00,000
						Mr. Shankerlal G. Bahedia	168
						Mr. Kshitish M. Shah	84
						Mr. Bansilal Gordhanlal Shah	284
						Mrs. Rashmi Balkishan Shah	1,33,334
						Mrs. Ayushi Yash Shah	1,32,796
						<b>Total</b>	<b>30,43,412</b>

Except for 15,00,000 Equity Shares, which has been allotted on March 31, 2022, pursuant to scheme of Amalgamation of Yash Metals Private Limited with our Company, we have not allotted any Equity Shares in terms of any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-234 of the Companies Act, 2013.

5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
6. Except for bonus issue made on June 27, 2022, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Prospectus.
7. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
8. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter &Promoter group	7	76,07,190	-	-	76,07,190	99.98	76,07,190	-	76,07,190	99.98	-	99.98	-	-	76,07,190		
(B)	Public	3	1340	-	-	1340	0.02	1340	-	1340	0.02	-	0.02	-	-	1340		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

*Baheti Recycling Industries Limited*

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	Trusts															
	<b>Total</b>	<b>10</b>	<b>76,08,530</b>	<b>-</b>	<b>-</b>	<b>76,08,530</b>	<b>100.00</b>	<b>76,08,530</b>	<b>-</b>	<b>76,08,530</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>76,08,530</b>

**Notes-**

\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

We have only one class of Equity Shares of face value of Rs. 10/- each.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

**II – Shareholding pattern of the Promoter and Promoter group**

Sr. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity share s held	Partl y paid-up equit y share s held	Nos. of shares underlyin g Depositor y Receipts	Total nos. shares held	Shareho lding (calcula ted as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlyin g Outstandi ng convertibl e securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Numbre r of equity shares held in demate rialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Share s held (b)	No. (a)	As a % of total share s held (b)	
								Class Equity Shares of Rs.10/- each	Clas s Y	Total								
	I	II	III	IV	V	VI=IV+V+ VI	VII	VIII				IX	X = VI+ IX	XI		XII		XIII
(1)	Indian																	
(a)	Individuals/ Hindu undivided Family	7	76,07,190	-	-	76,07,190	99.98	76,07,190	-	76,07,190	99.98	-	99.98	-		-		76,07,190
1	Mr. Shankerlal B. Shah	1	28,84,000	-	-	28,84,000	37.90	28,84,000	-	28,84,000	37.90	-	37.90	-		-		28,84,000
2	Mrs. Savitaben Shankerlal Shah	1	7,71,155	-	-	7,71,155	10.14	7,71,155	-	7,71,155	10.14	-	10.14	-		-		7,71,155
3	Mr. Yash Shankerbhai Shah	1	15,00,000	-	-	15,00,000	19.71	15,00,000	-	15,00,000	19.71	-	19.71	-		-		15,00,000
4	Mr. Balkishan Shankerlal Shah	1	15,00,000	-	-	15,00,000	19.71	15,00,000	-	15,00,000	19.71	-	19.71	-		-		15,00,000

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5	M/s Shankerlal B. Shah HUF	1	2,86,710	-	-	2,86,710	3.77	2,86,710	-	2,86,710	3.77	-	3.77	-	-	2,86,710
6	Mrs. Rashmi Balkishan Shah	1	3,33,335	-	-	3,33,335	4.38	3,33,335		3,33,335	4.38	-	4.38	-	-	3,33,335
7	Mrs. Ayushi Shah	1	3,31,990	-	-	3,31,990	4.36	3,31,990		3,31,990	4.36	-	4.36	-	-	3,31,990
(b)	Central Government/ State Government(s)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>76,07,190</b>	<b>-</b>	<b>-</b>	<b>76,07,190</b>	<b>99.98</b>	<b>76,07,190</b>	<b>-</b>	<b>76,07,190</b>	<b>99.98</b>	<b>-</b>	<b>99.98</b>	<b>-</b>	<b>-</b>	<b>76,07,190</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>76,07,190</b>	<b>-</b>	<b>-</b>	<b>76,07,190</b>	<b>99.98</b>	<b>76,07,190</b>	<b>-</b>	<b>76,07,190</b>	<b>99.98</b>	<b>-</b>	<b>99.98</b>	<b>-</b>	<b>-</b>	<b>76,07,190</b>

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*\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.*

**III- Shareholding pattern of the Public shareholder**

Sr. No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity share s held	Partly paid -up equity shar es held	Nos. of shares underl ying Depository Receipts	Total nos. shares held	Sharehold ing % ( calculat ed as per SCRR, 1957)  As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlyi ng Outstand ing convertib le securities (includin g Warrants )	Total Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Numbe r of equity shares held in demate rialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total 68hare s held (b)	No. (not applic able) (a)	As a % of total share s held (not applicabl e)(b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+ IV+V	VII	VIII				IX	X= VI+IX	XI		XII		XIII
(1)	Institutions																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>															
(a)	Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	3	1340	-	-	1340	0.02	1340	-	1340	0.02	-	0.02	-	-	1340
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other Body Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	3	1340	-	-	1340	0.02	1340	-	1340	0.02	-	0.02	-	-	1340
	<b>Total Public Shareholding (B)= (B) (1)+ (B) (2) +(B)(3)</b>	3	1340	-	-	1340	0.02	1340	-	1340	0.02	-	0.02	-	-	1340

**IV - Shareholding pattern of the Non-Promoter- Non Public shareholder**

Sr. No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957)  As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)
								No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV +V	VII	VIII				IX	X= VI+IX	XI	XII		XIII	
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (c )(1)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (C )(2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Non- Promoter Non-Public shareholding (C) = (C )(1)+(C)(2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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**9. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Draft Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Shankerlal B. Shah	28,84,000	37.90
2.	Mrs. Savitaben S. Shah	7,71,155	10.14
3.	Mr. Yash S. Shah	15,00,000	19.71
4.	Mr. Balkishan S. Shah	15,00,000	19.71
5.	M/s. Shankerlal B. Shah HUF	2,86,710	3.77
6.	Mrs. Rashmi Balkishan Shah	3,33,335	4.38
7.	Mrs. Ayushi Shah	3,31,900	4.36
	<b>Total</b>	<b>76,07,190</b>	<b>99.97</b>

b) Ten days prior to the date of filing of this Draft Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Shankerlal B. Shah	28,84,000	37.90
2.	Mrs. Savitaben S. Shah	7,71,155	10.14
3.	Mr. Yash S. Shah	15,00,000	19.71
4.	Mr. Balkishan S. Shah	15,00,000	19.71
5.	M/s. Shankerlal B. Shah HUF	2,86,710	3.77
6.	Mrs. Rashmi Balkishan Shah	3,33,335	4.38
7.	Mrs. Ayushi Shah	3,31,900	4.36
	<b>Total</b>	<b>76,07,190</b>	<b>99.97</b>

c) One Year prior to the date of filing of this Draft Prospectus:-

Sr. No.	Names of Shareholders*	Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Shankerlal B. Shah	21,36,259	56.97
2.	Mrs. Savitaben S. Shah	2,89,907	7.73
3.	Mrs. Rashmiben B. Shah and Mr. Shankerlal B. Shah	49,091	1.31
4.	Mr. Yash S. Shah and Mr. Shankerlal B. Shah	49,091	1.31
5.	Mrs. Savitaben S. Shah and Mr. Shankerlal B. Shah	52,500	1.40
6.	Mr. Yash S. Shah	97,448	2.60
7.	Yash Metals Private Limited	6,84,882	18.26
8.	Mr. Balkishan Shah	2,45,909	6.56
9.	M/s. Shankerlal B. Shah HUF	1,33,026	3.55
	<b>Total</b>	<b>37,38,113</b>	<b>99.68</b>

\*Details of shares held on July 15, 2021 and percentage held has been calculated based on the paid up capital of our Company as on July 15, 2021.

d) Two Years prior to the date of filing of this Draft Prospectus:-

Sr. No.	Names of Shareholders*	Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Shankerlal B. Shah	21,36,259	56.97
2.	Mrs. Savitaben S. Shah	2,89,907	7.73
3.	Mrs. Rashmiben B. Shah and Mr. Shankerlal B. Shah	49,091	1.31

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4.	Mr. Yash S. Shah and Mr. Shankerlal B. Shah	49,091	1.31
5.	Mrs. Savitaben S. Shah and Mr. Shankerlal B. Shah	52,500	1.40
6.	Mr. Yash S. Shah	97,448	2.60
7.	Yash Metals Private Limited	6,84,882	18.26
8.	Mr. Balkishan Shah	2,45,909	6.56
9.	M/s. Shankerlal B. Shah HUF	1,33,026	3.55
	<b>Total</b>	<b>37,38,113</b>	<b>99.68</b>

\*Details of shares held on July 15, 2020 and percentage held has been calculated based on the paid up capital of our Company as on July 15, 2020.

10. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### **12. Capital Buildup in respect of Shareholding of our Promoter**

As on the date of this Draft Prospectus, Our Promoter, Mr. Shankerlal B. Shah hold 28,84,000 Equity Shares of our Company. None of the Equity Shares held by our Promoter is subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoter in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>Mr. Shankerlal B. Shah</b>							
December 12, 1994	100	10	10	Cash	Subscription to MOA	0.00	0.00
May 25, 1995	2,42,500	10	10	Cash	Further Issue of Shares*	3.19	2.34
August 24, 1995	2,25,390	10	10	Cash	Further Issue of Shares*	2.96	2.17
November 04, 1996	28,000	10	10	Cash	Further Issue of Shares*	0.37	0.27
November 12, 1997	1,50,000	10	10	Cash	Further Issue of Shares*	1.97	1.45
July 31, 1998	2,00,000	10	10	Cash	Further Issue of Shares*	2.63	1.93
August 14, 1998	40,000	10	10	Cash	Transfer of Shares <sup>(a)</sup>	0.53	0.39
December	7,79,770	10	Nil	Other than Cash	Transmission of		

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31, 1999					Shares <sup>(b)</sup>	10.25	7.52
February 10, 2000	4,16,440	10	Nil	Other than Cash	Issue of Bonus Shares in ratio of 1:4	5.47	4.02
October 06, 2003	(1,74,691)	10	10	Cash	Transfer of Shares <sup>(c)</sup>	(2.30)	(1.68)
October 10, 2006	28,750	10	10	Cash	Transfer of Shares <sup>(d)</sup>	0.38	0.28
June 17, 2008	2,00,000	10	10	Cash	Transfer of Shares <sup>(e)</sup>	2.63	1.93
March 31, 2022	8,86,500	10	10	Other than cash	Allotment of shares due to merger with Yash Metals Private Limited	11.65	8.55
June 01, 2022	(7,22,359)	10	10	Cash	Transfer of Shares <sup>(f)</sup>	(9.49)	(6.97)
June 21, 2022	(5,70,000)	10	10	Cash	Transfer of Shares <sup>(g)</sup>	(7.49)	(5.50)
June 27, 2022	11,53,600	10	Nil	Other than Cash	Issue of Bonus shares in ratio of 2:3	15.16	11.13
<b>Total (A)</b>	<b>28,84,000</b>					<b>37.91%</b>	<b>27.83%</b>
<b>Grand Total</b>	<b>28,84,000</b>					<b>37.91%</b>	<b>27.83%</b>

*Note - The shareholding built-up of Mr. Shankerlal B. Shah has been prepared by merging the two additional folios, which were earlier maintained by the Company in the name of Mr. Shankerlal B. Shah.*

*\* Minutes and resolutions for the said allotments are not available with the Company, thus the nature of allotment cannot be traced. The details in respect of share allotments have been inserted based on the Form-2 filed with ROC and limited information available with the Company. Please refer to Risk Factor "Certain of our corporate records relating to forms filed with the Registrar of Companies are not traceable." on page 32 of this Draft Prospectus.*

*Note: None of the Shares has been pledged by our Promoter.*

*(a) Details of Acquisition by Mr. Shankerlal B. Shah by way of Transfer of 40,000 equity shares dated August 14, 1998.*

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	August 14, 1998	Poonamben Shitalbhai Agrawal	20,000
2.	August 14, 1998	Nareshbhai Radheyshyam Tulshyan	10,000
3.	August 14, 1998	Sonalben Omprakash Agrawal	10,000
		<b>Total</b>	<b>40,000</b>

*(b) Details of Acquisition by Mr. Shankerlal B. Shah by way of Transmission of 7,79,770 equity shares dated December 31, 1999.*

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	December 31, 1999	Bansilal R. Shah	7,61,900

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2.	December 31, 1999	Bansilal Ramkishan Shah HUF	5,000
3.	December 31, 1999	Bansilal R. Shah & Shankerlal B. Shah	10,870
4.	December 31, 1999	Ramkishan R. Shah & Shankerlal B. Shah	2,000
		<b>Total</b>	<b>7,79,770</b>

(c) Details of transfer of shares by Mr. Shankerlal B. Shah of 1,74,691 equity shares dated October 06, 2003

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	October 06, 2003	Bhavanaben Chanchal Kumar	9,901
2.	October 06, 2003	Chanchal Kumar Mundra	29,703
3.	October 06, 2003	Chandrikaben O. Mandowara	23,898
4.	October 06, 2003	Indu Naresh Tulshyan	25,322
5.	October 06, 2003	Naresh Radheshyam Tulshyan	25,322
6.	October 06, 2003	Radheshaym Tulshyan	25,322
7.	October 06, 2003	Ritu C. Mundra	9,901
8.	October 06, 2003	Saritadaevi Tulshyan	25,322
		<b>Total</b>	<b>1,74,691</b>

(d) Details of Acquisition by Mr. Shankerlal B. Shah by way of Transfer of 28,750 equity shares dated October 10, 2006

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	October 10, 2006	Parasram B. Sambariya	2,500
2.	October 10, 2006	Bherulal G. Mundra	2,500
3.	October 10, 2006	Jagdish C. Kabra	2,500
4.	October 10, 2006	Badambai B. Mundra	2,500
5.	October 10, 2006	Shankerlal B. Shah as a proprietor of Shreenathji Metal Ind.	18,750
		<b>Total</b>	<b>28,750</b>

(e) Details of Acquisition by Mr. Shankerlal B. Shah by way of transfer of 2,00,000 equity shares dated June 17, 2008

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	June 17, 2008	Shankerlal B. Shah as Prop. Of Shah Banshilal Ramkishan	2,00,000
		<b>Total</b>	<b>2,00,000</b>

(f) Details of transfer of shares by Mr. Shankerlal B. Shah of Transfer of 7,22,359 equity shares dated June 1, 2022:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	June 01, 2022	Yash Shankerbhai Shah	2,68,961
2.	June 01, 2022	Balkishan S. Shah	2,15,176
3.	June 01, 2022	Ayushi Shah	1,35,311
4.	June 01, 2022	Rashmiben B. Shah	1,02,910
5.	June 01, 2022	Savitaben S. Shah	1

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		<b>Total</b>	<b>7,22,359</b>
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(g) Details of transfer of shares by Mr. Shankerlal B. Shah of Transfer of 5,70,000 equity shares dated June 21, 2022:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	June 21, 2022	Yash Shankerbhai Shah	2,85,000
2.	June 21, 2022	Balkishan S. Shah	2,85,000
		<b>Total</b>	<b>5,70,000</b>

13. The average cost of acquisition of or subscription of shares by our Promoter is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Shankerlal B. Shah	28,84,000	4.28

## 14. Shareholding of Promoter & Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter (A)</b>				
1.	Mr. Shankerlal B. Shah	28,84,000	37.91	28,84,000	27.83
	<b>Sub Total (A)</b>	<b>28,84,000</b>	<b>37.91</b>	<b>28,84,000</b>	<b>27.83</b>
	<b>Promoter Group (B)</b>				
2.	Mrs. Savitaben Shakerlal Shah	7,71,155	10.14	7,71,155	7.44
3.	Mr. Yash Shankerbhai Shah	15,00,000	19.71	15,00,000	14.47
4.	Mr. Balkishan Shankerlal Shah	15,00,000	19.71	15,00,000	14.47
5.	M/s Shankerlal B. Shah HUF	2,86,710	3.77	2,86,710	2.77
6.	Mrs. Rashmi Balkishan Shah	3,33,335	4.38	3,33,335	3.21
7.	Mrs. Ayushi Shah	3,31,990	4.36	3,31,990	3.20
	<b>Sub Total (B)</b>	<b>4,723,190</b>	<b>45.55</b>	<b>4,723,190</b>	<b>45.55</b>
	<b>Total (A) + (B)</b>	<b>76,07,190</b>	<b>99.98</b>	<b>76,07,190</b>	<b>73.37</b>

15. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus.

Date of Allotment	Name of Shareholder	No. of Equity Share	% of Pre issue Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoter/Promoter Group/ Director)
March 31, 2022	Mr. Shankerlal B. Shah	8,86,500	11.65	Acquired pursuant to Merger with Yash Metals Private Limited	Promoter
March 31, 2022	Mrs. Savitaben Shankerlal Shah	1,72,785	2.27	Acquired pursuant to Merger with Yash Metals Private Limited	Promoter group
March 31, 2022	Mr. Yash Shah	1,99,500	2.62	Acquired pursuant to Merger with Yash	Promoter group

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				Metals Private Limited	
March 31, 2022	Mr. Balkishan S. Shah	1,53,915	2.02	Acquired pursuant to Merger with Yash Metals Private Limited	Promoter group
March 31, 2022	Shankerlal B. Shah HUF	39,000	0.51	Acquired pursuant to Merger with Yash Metals Private Limited	Promoter group
March 31, 2022	Mrs. Rashmiben B. Shah	48,000	0.63	Acquired pursuant to Merger with Yash Metals Private Limited	Promoter group
June 01, 2022	Mr. Shankerlal B. Shah	(7,22,359)	(9.49)	Disposal of shares by way of Transfer	Promoter
June 01, 2022	Mrs. Savitaben S. Shah	1	0.00	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mr. Yash S. Shah	2,68,961	3.53	Acquisition of shares by way of Transfer	Promoter group
June 09, 2022	Mr. Yash S. Shah	49091	0.65	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mr. Balkishan S. Shah	2,15,176	2.83	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mrs. Rashmiben B. Shah	1,02,910	1.35	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mrs. Rashmiben B. Shah	49,091	0.65	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mrs. Ayushi Yash Shah	1,35,311	1.78	Acquisition of shares by way of Transfer	Promoter group
June 16, 2022	Mrs. Ayushi Yash Shah	125	0.00	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mrs. Ayushi Yash Shah	11,262	0.15	Acquisition of shares by way of Transfer	Promoter group
June 01, 2022	Mrs. Ayushi Yash Shah	52,500	0.69	Acquisition of shares by way of Transfer	Promoter group
June 21, 2022	Mr. Shankerlal B. Shah	(5,70,000)	(7.49)	Disposal of shares by way of Transfer	Promoter
June 21, 2022	Mr. Yash S. Shah	2,85,000	3.75	Acquisition of share by way of Transfer	Promoter Group
June 21, 2022	Mr. Balkishan S. Shah	2,85,000	3.75	Acquisition of share by way of Transfer	Promoter Group
June 03, 2022	Mrs. Ayushi Yash Shah	(4)	(0.00)	Disposal of shares by way of Transfer	Promoter group
June 27, 2022	Mr. Shankerlal B. Shah	11,53,600	15.16	Acquisition of shares under the Bonus issue	Promoter
June 27, 2022	Mrs. Savitaben S. Shah	3,08,462	4.05	Acquisition of shares under the Bonus issue	Promoter group
June 27, 2022	Mr. Yash Shah	6,00,000	7.88	Acquisition of shares under the Bonus issue	Promoter group
June 27, 2022	Mr. Balkishan S. Shah	6,00,000	7.88	Acquisition of shares under the Bonus issue	Promoter group
June 27, 2022	M/s Shankerlal B. Shah HUF	1,14,684	1.51	Acquisition of shares under the Bonus issue	Promoter group
June 27, 2022	Mrs. Rashmiben B. Shah	1,33,334	1.75	Acquisition of shares under the Bonus issue	Promoter group
June 27, 2022	Mrs. Ayushi Yash Shah	1,33,796	1.76	Acquisition of shares under the Bonus issue	Promoter group

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

#### 17. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoter shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Prospectus, our Promoter hold 28,84,000 Equity Shares constituting 37.90% of the Post – Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Mr. Shankerlal B. Shah, have given written consent to include 21,25,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.49% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Mr. Shankerlal B. Shah</b>						
June 27, 2022	21,25,000	10	Nil	Bonus Issue	20.49%	3 years
<b>Total</b>	<b>21,25,000</b>				<b>20.49%</b>	

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

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

#### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

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

#### **Details of Promoters' Contribution Locked-in for One Year**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 54,83,530 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### **Other requirements in respect of lock-in:**

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoter and locked-in as per regulation 238 may be transferred to another promoter or any person of the Promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
18. Neither, we nor our Promoter, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
19. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity shares.
20. The LM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus.

21. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
22. We have 10 (Ten) shareholders as on the date of filing of this Draft Prospectus.
23. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoter or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
24. Our Company has not raised any bridge loan against the proceeds of the Issue.
25. As on the date of this Draft Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
26. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
27. An over-subscription to the extent of 1% of the Issue, can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
28. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
34. There are no Equity Shares against which depository receipts have been issued.
35. Other than the Equity Shares, there is no other class of securities issued by our Company.
36. There are no safety net arrangements for this public issue.
37. As per RBI regulations, OCBs are not allowed to participate in this issue.
38. Our Promoter and Promoter group will not participate in this Issue.

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39. This Issue is being made through Fixed Price Issue.
40. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
41. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
42. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter group, if any, between the date of filing the Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to 27,60,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Modernization and expansion of existing manufacturing unit
2. To meet Working Capital requirements
3. General Corporate Purpose
4. To meet issue expenses

*(Collectively referred as the “Objects”)*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE Emerge. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is engaged in the business of processing aluminium based metal scrap to manufacture (i) aluminium alloys in the form of ingots and (ii) aluminium de-ox alloys in the form of cubes, ingots, shots and notch bar. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the object’s clause of our Memorandum of Association.

### **Net Proceeds**

The details of the Net Proceeds are set forth below:

Particulars	Amt (Rs. in Lacs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

### **Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No	Particulars	Amt (Rs. in Lacs)
1.	Modernization and expansion of existing manufacturing unit	252.89
2.	To meet Working Capital requirements	[●]
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

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

### **Means of Finance**

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (Rs. in Lacs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

***Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.***

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

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 section titled "Risk Factors" beginning on page 25 of this Draft Prospectus.

#### **Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth herein below:

##### **1. Modernization and expansion of existing manufacturing unit**

We intend to modernize and expand our existing manufacturing unit located at Dehgam, Gandhinagar, Gujarat. We will be undertaking expansion of our existing furnace capacity by setting up of new 7 electric heating furnace at our existing unit, which we expect to bring reasonable cost savings. Further, we will be installing a skelner furnace with capacity of 15 tons/batch along with ingot casting conveyor and scrap charging feeder. With installation of aforementioned furnaces, our production capacity will increase from the existing capacity of 12,000 MTPA to the extent of 20,000 MTPA.

In addition, we intend to acquire (a) an optical emission spectrometer equipment (Spectromaxx), which will be used for quality testing of our products and (b) set of air pollution control system for modernization of our existing manufacturing unit.

A detailed breakup of estimated cost towards purchase of machineries and equipments which are proposed to be funded from the net issue proceeds and internal accruals is set forth below:

S. No.	Machinery details	Qty.	Quotation details	Quotation Amt. (Rs. in lakhs)
1	Electrically Heated Furnace (Capacity 700 KG)	5	Quotation dated June 30, 2022 from Thermotec Furnaces (India), Faridabad	81.04
2.	Electrically Heated Furnace (Capacity 200 KG)	2		
3.	Aluminium Melting Skelner Furnace Capacity-15 Tons /Batch	1	Quotation dated June 29, 2022 from F-Tech Thermal Solutions Pvt Ltd, Faridabad	52.51
4.	Aluminium Ingot Casting Conveyor Capacity-250 Mould	1	Quotation dated June 29, 2022 from F-Tech Thermal Solutions Pvt Ltd, Faridabad	23.01
5.	Scrap Charging Feeder For Aluminium Melting Skelner Furnace Capacity-15tons/Batch	1	Quotation dated June 29, 2022 from F-Tech Thermal Solutions Pvt Ltd, Faridabad	18.29
6.	Air Pollution Control System	1	Quotation dated June 15, 2022 from F-Tech Thermal Solutions Pvt Ltd, Faridabad	34.40

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7.	Spectro Maxx Advanced Spectrometer	1	Quotation dated June 15, 2022 from SPECTRO Analytical Instruments GmbH, Germany	43.64
<b>TOTAL</b>				<b>252.89</b>

**Notes:**

a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.

b) All quotations received from the vendors mentioned above are valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/equipments or at the same costs.

c) The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipments) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipments or utilities, as required for modernization and expansion of existing unit. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipments and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

d) We are not acquiring any second hand machinery.

e) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost. Further, cost will be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty etc. Such cost escalation would be met out of our internal accruals. Except for the amount quoted by foreign vendor for spectrometer, all amounts are inclusive of taxes.

f) The quotations for spectrometer is in USD. Conversion rate: 1 USD = 78.696 INR as on June 28, 2022; Reference – [www.fbil.org.in](http://www.fbil.org.in)

## 2. To Meet Working Capital Requirement

With the expansion of the business the company will be in the need of additional working capital requirements. The major capital will be invested in the trade receivables and required for maintaining stock as the money gets blocked in them. The Company will meet the requirement to the extent of Rs. [●] lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Actual (Restated)			(Rs. In Lacs)
		31-March-2020	31-March-2021	31-March-2022	Estimated 31-March-2023
I	<b>Current Assets</b>				
	Trade receivables	2143.94	2550.08	3817.29	[●]
	Inventories	1494.18	2333.04	3084.75	[●]
	Short Term Loans & Advances	237.11	665.94	490.14	[●]
	Other current assets	4.56	5.92	49.01	[●]
	<b>Total(A)</b>	<b>3879.79</b>	<b>5554.98</b>	<b>7441.19</b>	<b>[●]</b>
II	<b>Current Liabilities</b>				

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	Trade payables	191.54	970.86	1051.31	[●]
	Other current liabilities	98.71	388.87	228.79	[●]
	Short-term provisions	36.91	30.96	128.80	[●]
	<b>Total (B)</b>	<b>327.17</b>	<b>1390.69</b>	<b>1408.91</b>	<b>[●]</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>3552.61</b>	<b>4164.29</b>	<b>6032.28</b>	<b>[●]</b>
IV	Funding Pattern				
	Short term Borrowings & Internal Accruals	<b>3552.61</b>	<b>4164.29</b>	<b>6032.28</b>	<b>[●]</b>
	<b>IPO Proceeds</b>				<b>[●]</b>

**Justification:**

S. No.	Particulars
<b>Inventories</b>	Inventory levels are maintained by our Company depending upon the demand and delivery schedules. We have assumed Inventories turnover days to be around [●] days for F.Y. 2022-23 as compared to 52 days in F.Y. 2019-20, 67 days in F.Y. 2020-21 and 45 days in F.Y. 2021-22.
<b>Debtors</b>	Our Company's general credit terms vary across geographies and type of customer. We expect Debtors Holding days to be around [●] days for F.Y. 2022-23, as compared to 74 days in F.Y. 2019-20, 73 days in F.Y. 2020-21 and 56 days in F.Y. 2021-22.
<b>Creditors</b>	Our Creditors payments days for F.Y. 2019-20, F.Y. 2020-21 and F.Y. 2021-22 were 8 days, 30 days and 17 days respectively and we expect to keep it [●]days for F.Y. 2022-23.

### 3. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### 4. Public Issue Expenses

The total estimated Issue Expenses are Rs. [●] Lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activity	(Rs. in Lakh) *	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]

*Baheti Recycling Industries Limited*

Fees Payable to Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\* Includes commission/Processing fees of Rs. [●] per valid application forms for SCSB"s. In case the total processing fees payable to SCSBs exceeds Rs. [●] lakh, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed Rs. [●] lakh.

**Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 22-23
		(Rs. in Lakhs)
1.	Modernization and expansion of existing manufacturing unit	252.89
2.	To meet Working Capital requirements	[●]
3.	General Corporate Purpose	[●]
4.	Issue Expenses	[●]
	<b>Total</b>	[●]

**Funds Deployed and Source of Funds Deployed:**

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakhs)
Issue Expenses	[●]
<b>Total</b>	[●]

**Sources of Financing for the Funds Deployed:**

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Internal Accruals	[●]
<b>Total</b>	[●]

**Appraisal**

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 available quotations and 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 but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business 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 and or unsecured Loans.

**Bridge Financing Facilities**

As on the date of the Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

**Monitoring Utilization of Funds**

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

**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 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other confirmations**

There are no material existing or anticipated transactions with our Promoter, 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 Promoter, our directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

## **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 25, 103 and 146 respectively of the Draft Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

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

## **QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry and the following are our primary competitive strength:

- In-house manufacturing facility supported by technology driven process
- Stringent quality control mechanism ensuring standardized product quality
- Diversified Client Base and long standing relationship with our customers
- Strong and diversified supplier base for sourcing raw material
- Experienced Promoter supported by dedicated Management team

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 103 of the Draft Prospectus.

## **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 146 of this Draft Prospectus.

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

### **1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each), as adjusted for change in capital:**

As per the Restated Financial Statements;

Sr. No	Period	Basic & Diluted (Rs.)	Weights
1.	Financial Year ending March 31, 2022	3.84	3
2.	Financial Year ending March 31, 2021	0.76	2
3.	Financial Year ending March 31, 2020	0.31	1
	<b>Weighted Average</b>	<b>2.22</b>	

*Notes:*

- i. The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted with the effect of issue of Bonus shares.
- ii. The face value of each Equity Share is Rs.10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. There are no dilutive shares outstanding at the end of the Fiscal year ending March 31, 2020, March 31, 2021 and March 31, 2022.

## Baheti Recycling Industries Limited

### Price Earning (P/E) Ratio in relation to the Issue Price of Rs. [●]

Particulars	(P/E) Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2022.	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]

Industry P/E Ratio*	
Highest (Arfin India Limited)	24.22
Lowest (Nupur Recyclers Limited)	17.80
<b>Industry Average</b>	<b>21.01</b>

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

#### Note:

- The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- P/E Ratio of the Peer Companies is based on the Consolidated Audited Results of the company for the F.Y. 2021-22 and stock exchange data dated July 03, 2022.

### Return on Net worth (RoNW)\*

Sr. No	Period	RONW (%)	Weights
1.	F.Y. 2019-20	1.86%	3
2.	F.Y. 2020-21	4.42%	2
3.	F.Y. 2021-22	17.49%	1
	<b>Weighted Average</b>	<b>10.53%</b>	

\*Restated Profit after tax/Net Worth

#### Note:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period

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

Sr. No.	NAV per Equity Share*	(Amt. in Rs.)
1.	As on March 31, 2022	21.94
2.	As on March 31, 2021	17.30
3.	NAV per Equity Share after the Issue	[●]
4.	Issue Price	[●]

\*The above NAV has been calculated after giving the effect of Bonus Shares

#### Note:

- The NAV per Equity Share has been computed by dividing restated networkth with weighted average number of equity shares outstanding at the end of the year/period.

### 6. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (Rs.)	Face Value (Rs.)	EPS (Rs.)	PE	RoNW (%)	Book Value (Rs.)	Total Income (Rs. in crores)
Baheti Recycling Industries Limited	[●]	10	3.84	[●]	17.49%	21.94	249.26
<b>Peer Group*</b>							

*Baheti Recycling Industries Limited*

Arfin India Limited	140	10	5.78	24.22	11.83%	48.86	527.62
Nupur Recyclers Limited	179.40	10	10.08	17.80	15.92%	27.59	163.17

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

**Notes:**

- i. *Current Market Price (CMP) of equity share of peer group companies has been taken as the closing price as on July 03, 2022 at BSE/NSE. For our Company, we have taken CMP as the issue price of equity share.*
- ii. *The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statements for the F.Y. 2021-22*
- iii. *The Figures of peer group companies as at March 31, 2022 has been taken from their Audited Consolidated Results uploaded on the website of the Stock Exchange(s).*
- iv. *NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity share as adjusted with the effect of Bonus Issue.*
- v. *P/E Ratio of peer group companies has been computed based on the closing market price of equity shares on July 03, 2022 at BSE/NSE, as divided by the Basic EPS for F.Y. 2021-22.*
- vi. *RoNW has been computed as net profit after tax divided by closing net worth.*
- vii. *The face value of Equity Shares of Our Company is Rs. 10/- per Equity Share and the Issue price is [●] times the face value of equity share.*

The Issue Price of ₹ [●] has been determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the abovementioned information along with **"Our Business", "Risk Factors" and "Restated Financial Statements"** on page 103, 25 and 146 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF SPECIAL TAX BENEFITS**

To,

The Board of Directors

**Baheti Recycling Industries Limited**

(Formerly Known as Baheti Metal and Ferro Alloys Ltd)

Dear Sirs,

**Sub: Statement of Tax Benefits ('The Statement') available to Baheti Recycling Industries Limited ('The Company') and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of **Baheti Recycling Industries Limited**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and 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 proposed initial public offering of Equity shares ("the Issue") by the Company.

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

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been/would be met.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Wadhwan and Co.**

**Chartered Accountants**

**FRN: 129455W**

*Baheti Recycling Industries Limited*

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**Sd/-**

**Partner :Ajit A Waddhawan**

**M. No. 032886**

**Date: 09-07-2022**

**Place: Ahmedabad, Gujarat**

**UDIN:22032886AMRTKO4826**

**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

*The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

**A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

**B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

**Notes:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### **Global Scenario**

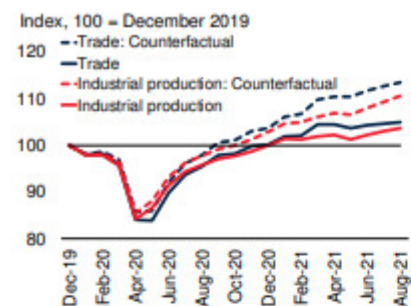
After rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions. Global growth is projected to soften further to 3.2 percent in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs)—particularly in small states and fragile and conflict-afflicted countries— they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers. As EMDEs have limited policy space to provide additional support if needed, these downside risks heighten the possibility of a hard landing. This underscores the importance of strengthening global cooperation to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in the poorest countries, and tackle the mounting costs of climate change. EMDE policy makers also face the challenges of heightened inflationary pressures, spillovers from prospective advanced-economy monetary tightening, and constrained fiscal space. Despite budgetary consolidation, debt levels—which are already at record highs in many EMDEs—are likely to rise further owing to sustained revenue weakness. Over the longer term, EMDEs will need to buttress growth by pursuing decisive policy actions, including reforms that mitigate vulnerabilities to commodity shocks, reduce income and gender inequality, and enhance preparedness for health- and climate-related crises.

Growth in advanced economies is forecast to decelerate from 5 percent in 2021 to 3.8 percent in 2022 as the unwinding of pent-up demand only partly cushions a pronounced withdrawal of fiscal policy support. Growth is projected to moderate further in 2023 to 2.3 percent as pent-up demand is exhausted. Despite the slowdown, the projected pace of expansion will be sufficient to return aggregate advanced-economy output to its prepandemic trend in 2023 and thus complete its cyclical recovery. A solid rebound is projected for investment, based on sustained aggregate demand and broadly favorable financing conditions.

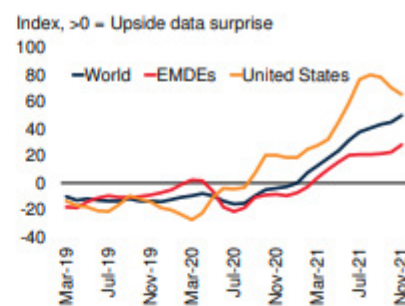
In contrast to advanced economies, most EMDEs are expected to suffer substantial scarring to output from the pandemic, with growth trajectories not strong enough to return investment or output to pre-pandemic trends over the forecast horizon of 2022-23. EMDE growth is projected to slow from 6.3 percent in 2021 to 4.6 percent in 2022, as the ongoing withdrawal of macroeconomic support, together with COVID-19 flare-ups amid the spread of the Omicron variant and continued vaccination obstacles, weigh on the recovery of domestic demand. In one-third of EMDEs, many of which are tourism-reliant economies or small states, output this year is expected to remain lower than in 2019. Growth in China is expected to ease to 5.1 percent this year, reflecting the lingering effects of the pandemic and additional regulatory tightening. Growth in LICs is anticipated to firm to 4.9 percent in 2022—below its historical average, as limited policy space constrains the recovery and as high inflation, including of food prices, and continued conflict in some cases dampen consumption.

**Figure 1**

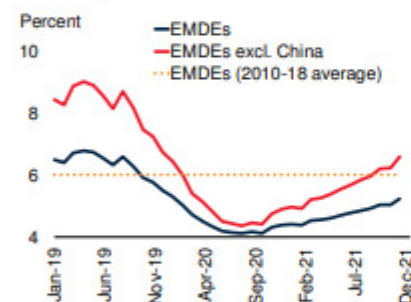
**A. Impact of supply bottlenecks on global trade and industrial production**



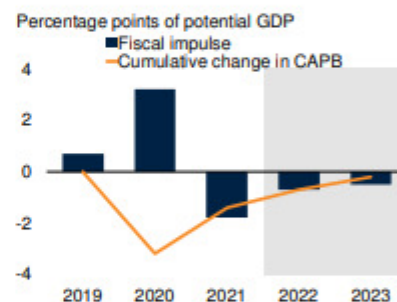
**B. Inflation surprises**



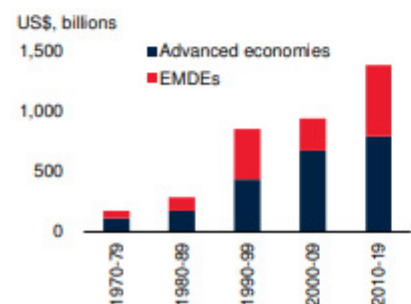
**C. Policy rates in EMDEs**



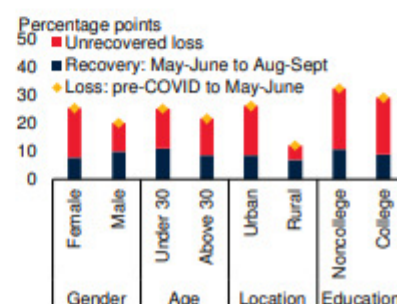
**D. Fiscal stance in EMDEs**



**E. Economic losses from weather and climate disasters**



**F. Job losses and recoveries between May-June and August-September 2020**



In 2023, EMDE growth is forecast to edge further down to 4.4 percent—notably below the 5.1 percent average of the past decade—as domestic demand stabilizes and commodity prices moderate. Despite the continued recovery, the pandemic is expected to scar EMDE output for a prolonged period, in part through its adverse effects on human and physical capital accumulation. Aggregate output in 2023 is expected to be about 4 percent below its prepandemic trend—and, in fragile and conflict affected EMDEs, over 7 percent below, as they face heightened uncertainty, security challenges, weak investment prospects, and anemic vaccination progress.

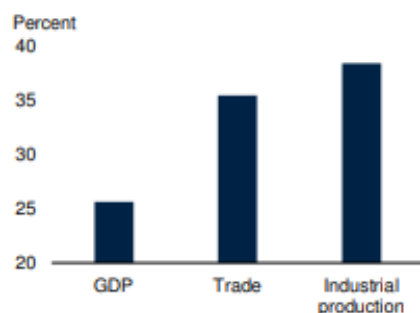
The near-term global outlook is a touch below previous forecasts, with a modest downgrade to growth in both advanced economies and EMDEs. Although the forecast for EMDE growth in 2022 is only slightly weaker than previous projections, this masks notable divergences across regions. Downgrades in Europe and Central Asia and Latin America and the Caribbean, due to faster removal of policy support, are accompanied by upgrades in the Middle East and North Africa and Sub-Saharan Africa amid higher-than-expected oil revenues.

In addition to the possibility of new pandemic resurgences, other risks cloud the outlook: persistent supply bottlenecks could further disrupt global activity and trade, and continued inflation surprises could de-anchor inflation expectations. Many EMDEs have tightened monetary policy to contain inflationary pressures. Pandemic-related fiscal support in EMDEs is expected to be largely unwound by 2023. Policy action is needed to tackle the rising costs of climate-related disasters. With vulnerable groups having disproportionately suffered job losses during the pandemic, policy efforts are also needed to reverse increases in gender and income inequality.

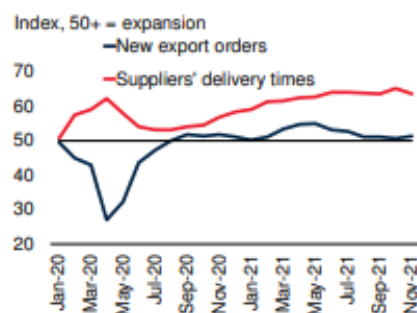
Global goods trade has recovered swiftly, driven by a rotation of demand toward trade-intensive manufactured goods, as suggested by the close comovement of global trade and industrial production. Incoming data suggest that significant strains on supply chains may be easing slightly.

**Figure 2**

**A. Share of variance of global activity, trade, and industrial production accounted for by common factor**



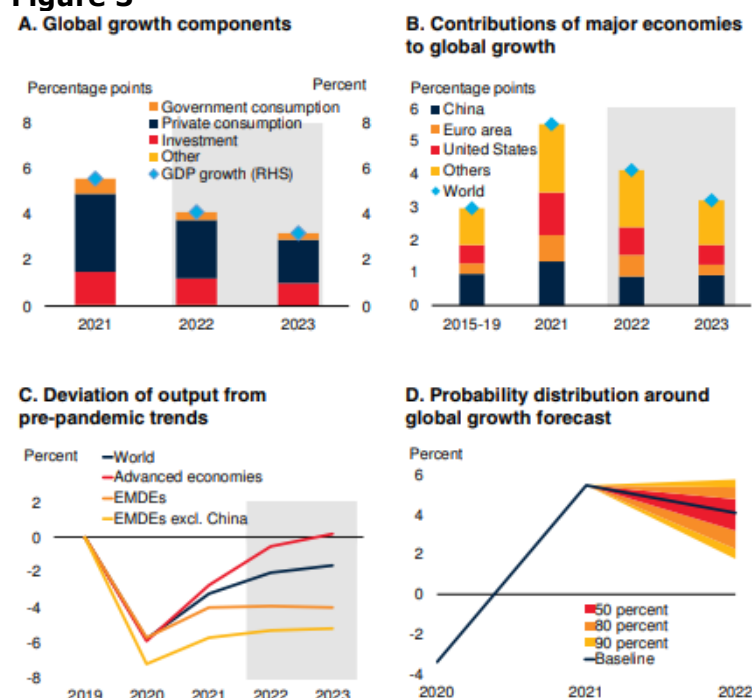
**B. Global trade indicators**



Growth is expected to slow in the United States and the euro area, as pent-up demand is depleted and policy support is gradually withdrawn. Benign financial conditions and sustained consumer demand are expected to support a continuing solid recovery in investment. Supply bottlenecks and tight labor markets have contributed to inflationary pressures, most notably in the United States. China's growth has moderated appreciably, reflecting recurring mobility restrictions and regulatory tightening; however, export growth remains solid.

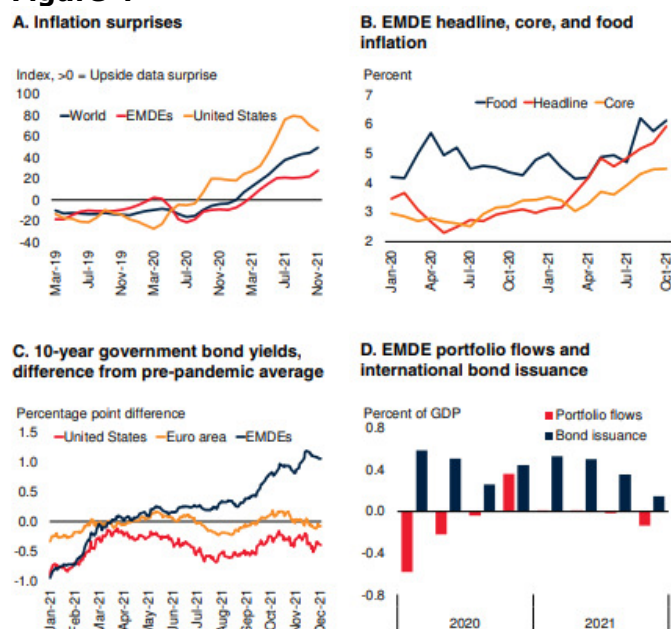
Global growth is set to moderate as the initial rebound in consumption and investment fades and macroeconomic support is withdrawn. Much of the global slowdown over the forecast horizon is accounted for by major economies. The cyclical recovery in advanced economies is envisioned to outpace that in emerging market and developing economies (EMDEs). The global outlook is clouded by various risks, which are tilted to the downside.

**Figure 3**



In recent months, inflationary pressures across the world have intensified at a faster-than-anticipated pace. Like advanced economies, emerging market and developing economies (EMDEs) have experienced broadbased increases in headline and core inflation since mid-2020. EMDE government bond yields have also increased. Although international bond issuance has remained robust, portfolio flows to EMDEs have declined, reflecting concerns about growth prospects and pandemic risks.

**Figure 4**



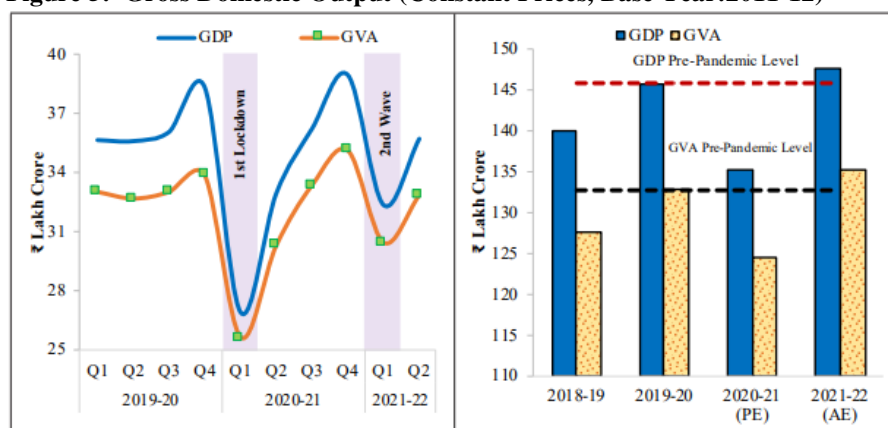
(Source: <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601-ch01.pdf>)

## Indian Economy Overview

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile.

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.

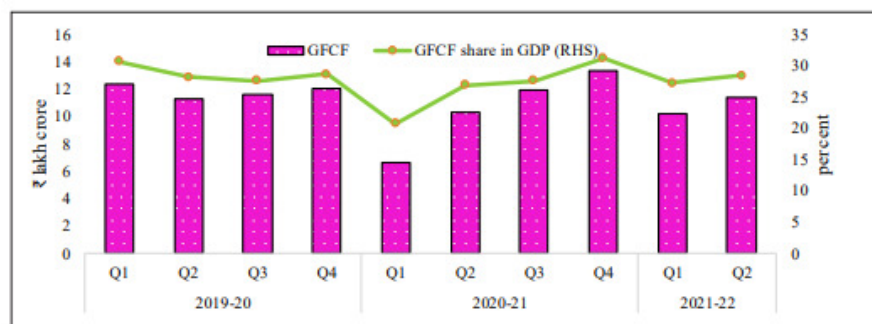
**Figure 5: Gross Domestic Output (Constant Prices, Base Year:2011-12)**



Source: National Accounts Statistics (NSO), MoSPI

Investment, as measured by Gross Fixed Capital Formation (GFCF) is expected to see strong growth of 15 per cent in 2021-22 and achieve full recovery of pre-pandemic level. Government's policy thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment to GDP ratio to about 29.6 per cent in 2021-22, the highest in seven years.

**Figure 6 Gross Fixed Capital Formation (GFCF)**

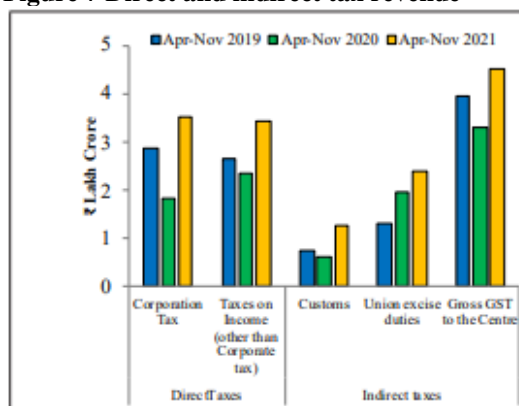


Source: NSO, MoSPI

Note: Absolute figures at constant (2011-12) prices, shares as per current prices

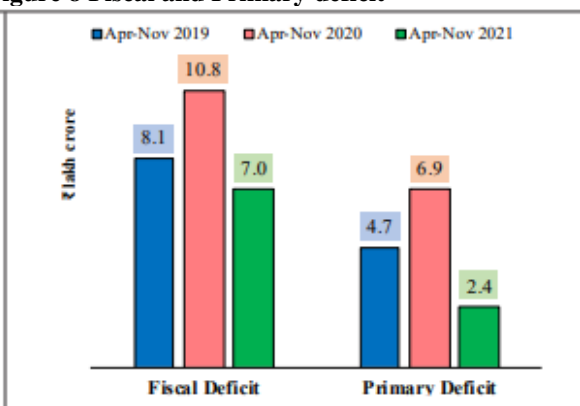
The fiscal support given to the economy as well as the health response caused the fiscal deficit and government debt to rise in 2020-21. However, there has been a strong rebound in government revenues in 2021-22 so far. The revenue receipts of the central government during April- November 2021 have gone up by 67.2 per cent (YoY), as against an estimated growth of 9.6 per cent in the 2021-22 Budget Estimates. The tax collections have been buoyant for both direct and indirect taxes. The gross monthly GST collections have crossed ` 1 lakh crore consistently since July 2021

**Figure 7 Direct and indirect tax revenue**



Source: Office of CGA

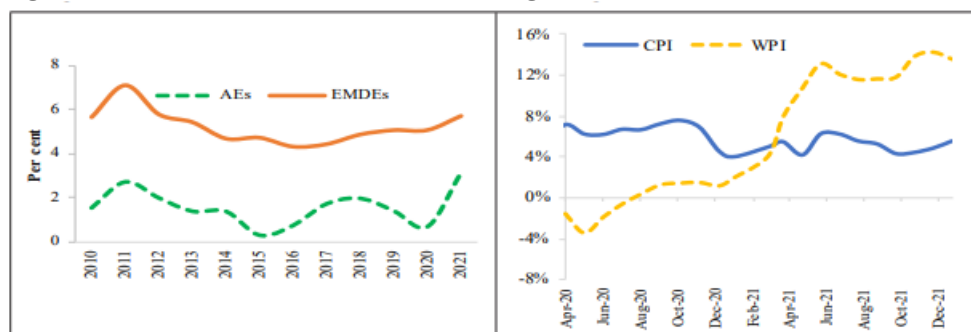
**Figure 8 Fiscal and Primary deficit**



Source: Office of CGA

Inflation has reappeared as a global issue in both advanced and emerging economies (Figure 33). The surge in energy prices, non-food commodities, input prices, disruption of global supply chains, and rising freight costs stoked global inflation during the year. In India, Consumer Price Index (CPI) inflation moderated to 5.2 per cent in 2021-22 (April-December) from 6.6 per cent in the corresponding period of 2020-21. It was 5.6 per cent (YoY) in December 2021, which is within the targeted tolerance band (Figure 34). The decline in retail inflation in 2021-22 was led by easing of food inflation (details in Chapter 5). Wholesale Price Inflation (WPI), however, has been running in double-digits. The inflation in 'fuel and power' group of WPI was above 20 per cent reflecting higher international petroleum prices. Although the high WPI inflation is partly due to base effects that will even out, India does need to be wary of imported inflation, especially from elevated global energy prices.

**Figure 9: Consumer Price Inflation Rates** **Figure 10: CPI and WPI Inflation**



Source: World Economic Outlook, January 2022 Update, IMF

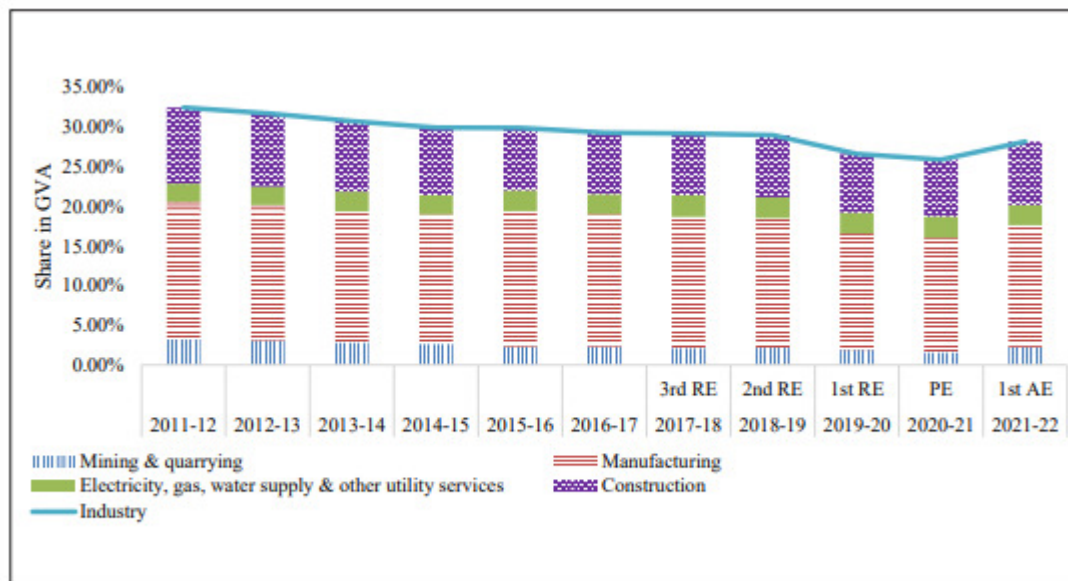
Note: Figures are annual averages; Figures for 2021 are projections. Advanced Economies include 40 economies and Emerging Markets and Developing Economies (EMDEs) include 156 economies as per IMF classification

The gross value addition at constant prices (GVA) in the industrial sector grew at the compound annual growth rate (CAGR) of 4.53 percent between 2011-12 and 2019-20 while total GVA grew by CAGR of 5.63 percent over the same period. The share of the industrial sector in the nominal GVA(at current prices) was 25.9 percent in 2020-21. With the industrial sector recovering and expected to grow at 11.8 percent, as per advance estimates for 2021-22 by National Statistical Office, industry's share is expected to increase to 28.2 percent.

Manufacturing, with an average share of 16.3 percent in nominal GVA over the last decade, has a dominant presence within the industrial sector. In 2020-21, the share of manufacturing fell to 14.4 percent but is expected to improve to 15.3 percent in 2021-22. The share of electricity has been showing an increasing trend since 2012-13 and was 2.7 percent 2020-21.

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**Figure 11 Share of Industry and its components in Gross value**



Source: Survey calculations based on MoSPI data. Data at current prices.

added

(Source: <https://www.indiabudget.gov.in/economicsurvey/>)

## Industry Scenario:

### Non-ferrous metals

The Non-ferrous metals can be classified in broad categories as Base metals (e.g. aluminium, copper, zinc, lead, nickel, tin), Precious metals (e.g. silver, gold, palladium, other platinum group metals), Minor metals including refractory metals (e.g. tungsten, molybdenum, tantalum, niobium, chromium) and Specialty metals (e.g. cobalt, germanium, indium, tellurium, antimony, and gallium). Out of these:

**Aluminium** is the second most used metal in the world after iron. India is third largest consumer of aluminum in the world with a consumption of 3.7 MT in FY 2020(E).

**Copper** is the third most important base metal by value, accounting for roughly a \$130 billion industry annually at global level.

**Zinc** is the fourth most widely used metal across the globe. According to International Lead and Zinc Study Group, around 13 million tonnes of Zinc is produced and consumed every year in the world.

**Lead** is one of the most recyclable metals in the world. Although hazardous to our health, humans have been extracting and using lead for over 6000 years.

### **India's Growing Demand for Metals**

India is one of the fastest growing economies in the world. Strong domestic demand coupled with several reforms that the government has undertaken are on track to maintain the economic growth momentum going forward. As nonferrous metals find

widespread applications across the economy, the current policy measures provide a tremendous opportunity for the development of the Indian non-ferrous metals industry in the future. A major push is expected to emerge from the government's 'Make in India' initiative, which aims to increase the manufacturing share of GDP from the present 17 per cent to 25 per cent by the end of 2025. Under this initiative, the government has identified 25 sectors such as Automotive, Power, Defence manufacturing, etc. which have extensive applications of various non-ferrous metals, and therefore, can provide a boost to the industry. Furthermore, these metals are witnessing increasing applications in the existing sectors as well as exploring many newer applications.

(Source: <https://mines.gov.in/writereaddata/UploadFile/NFMScrapRecyclingFramework3.pdf>)

#### **Recycling of non ferrous metal gains merit on following grounds:-**

a. **Social benefits-** India's mineral rich areas are under dense forests and inhabited by indigenous communities. Most of the impacts of material extraction, use and disposal occur domestically and negatively on a sizeable population. Extraction pressures have contributed significantly to conflicts due to displacement, loss of livelihood and have led to opposition by tribal and other local communities including fishermen in coastal areas. These social and political conflicts also pose significant threat to internal security. Recycling would put fewer burdens on the need of extraction thereby offsetting some of the risks arising out of social conflicts.

b. **Environmental benefits-** Mineral rich areas overlap with heavily forested areas in the country. Extraction activities often result in ecological degradation. Reduced pressures from mining will help to reduce this ecological degradation. Reduced waste generation will not only reduce pollution associated with disposal but also save related costs. Also, resource extraction and use is highly energy intensive leading to significant GHG emissions. In 2007, CO<sub>2</sub> emissions were to the tune of 131 million tonnes from mineral industry, metal sector contributed about 122.7 million tonnes of CO<sub>2</sub>. Furthermore, smelters of copper, zinc, lead ore etc. are significant contributors of CO<sub>2</sub> and SO<sub>x</sub>.

c. **Economic benefits:** In manufacturing sector alone, Indian companies could save up to Rs. 60,855 million by implementing resource efficiency measures, thereby improving competitiveness and profitability. Recycling based innovations can also give industries an edge in the export market. New industries can be created in the recycling sector with focus on innovative design and manufacturing from recycled material. As per an estimate from the Society of Indian Automobile Manufacturers (SIAM, 2015), with efficient recycling, India can hope to recover by the year 2020 over 0.18 million tonnes of aluminium scrap (source NITI Aayog, 2017 Strategy Paper on Resource efficiency). Also, reduced import dependence for critical minerals will help to improve country's trade balance and promote economic stability.

d. **Employment Generation Potential:** Recycling and adoption of related innovative methods may altogether give rise to the need of setting up of new industries that can contribute significantly to employment generation. Innovation in recycling process and manufacturing has the potential to create highly skilled jobs benefitting domestic industries and developing potential for export market. This may further prompt global companies to locate efficient design and/or manufacturing units here leading to increased skilled / unskilled labour demand. Working on improved recycling rates, it is estimated that 3 million direct jobs may be created in recycling facilities and conservatively, between 10 to 15 million indirect jobs in upstream related activities.

(Source: <https://mines.gov.in/writereaddata/UploadFile/NFMScrapRecyclingFramework3.pdf>)

#### **Aluminium**

The Aluminium Industry in India is strategically well-placed and is one of the largest producers in the world with discernible growth plans and prospects for the future. India's rich bauxite mineral base renders a competitive edge to the industry as compared to its counterparts globally. Aluminium is more environment-friendly than steel, plastic and other materials. Aluminium has widespread uses throughout the economy and is equally important to both the industrial and consumer sectors. Aluminium is used in the Aerospace Industry as well as other industries requiring light metal. On the industrial side, aluminium is heavily used in electrical power transmission, machinery & equipment and construction. Aluminium usage in automobiles is rising and is expected to increase internationally. Over the past five years considerable progress has been made in aluminium-intensive vehicle production.

Housing, in particular, make heavy use of the lightweight material as a substitute for steel and wood in doors, windows and sidings. Aluminium is also used in a variety of retail products including cans, packaging, air conditioners, furniture and automobile. In addition, India has pioneered the replacement of copper by aluminium in power transmission & distribution

which has enhanced the demand for aluminium. There are nearly 600 cable and conductor manufacturing units in the country, having a total capacity of about 4,00,000 tpy. The major end-use of aluminium is as rolled sheets, extrusions and foils. India Foils, Pennar Aluminium and Century Extrusions are the major players in the extrusion & foil market.

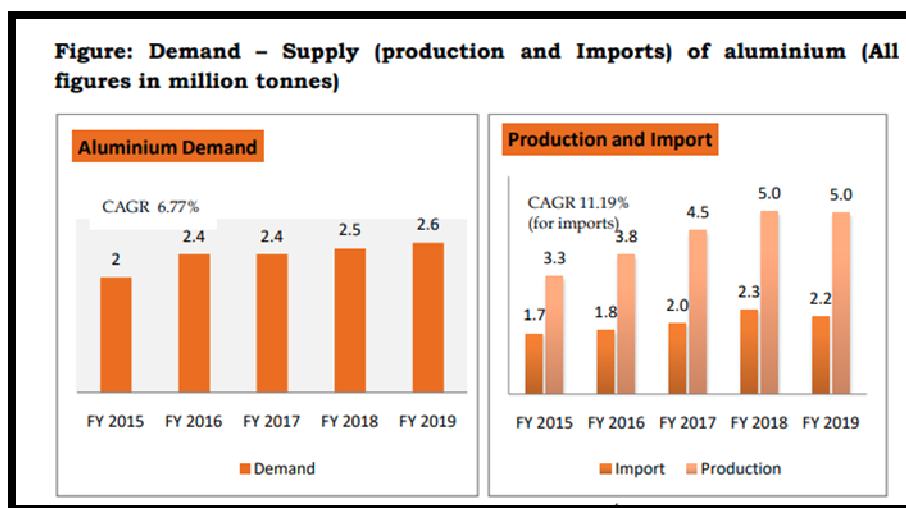
Key sectors to drive aluminium consumption in India are Auto, Power, Electronics, Railways, Aerospace & Defence Construction, Solar Energy and Aluminium packaging.

In India, the power, packaging, transport, construction, machinery and equipment sectors are key demand drivers of aluminium. The domestic imports of aluminium products, including scrap, are growing significantly, which is a major concern for the domestic aluminium producers. In advanced economies, aluminium is increasingly replacing wood and steel in Building Sector. Aluminium cans and containers are used extensively, world over. Aluminium is also the ideal packaging material for pharmaceuticals and processed foods.

In India, aluminium was consumed mainly in the Electrical sector (48%), followed by Automobile & Transport sector (15%), Construction (13%), Consumer Durables (7%), Machinery & Equipment (7%), Packaging (4%) and others (6%). In the Electrical sector, aluminium usage is in overhead conductor, and power cable used in generation, transmission, and distribution of electricity. Aluminium is also used in switchboards, coil windings, capacitors, etc.

As per Technology Vision Document 2035, the per capita consumption of aluminium in India is among the lowest in the world with only 2.2 kg as compared to world average roughly of 8 kg with 22-25 kg in developed nations. Alumina is produced from bauxite. About one tonne of alumina is produced from 3 to 3.5 tonnes of bauxite and about one tonne of aluminium is produced from about two tonnes of alumina.

(Source: [https://ibm.gov.in/writereaddata/files/10082021115329Aluminium%20and%20Alumina\\_2019.pdf](https://ibm.gov.in/writereaddata/files/10082021115329Aluminium%20and%20Alumina_2019.pdf) )



The demand for Aluminum has increased at CAGR of 6.77%. The production has also increased from 3.3 MnT in 2015 to 5 (approx.) in 2019 with a CAGR of 11.19%. Considering the growing demand for aluminium in future, there will be heavy dependence on domestic production and imports to meet that demand. In light of the fact that aluminium is an energy intensive sector, the demand for fuel, i.e coal, being the main energy source for aluminum extraction and processing, will also increase. Such dependence on nonrenewable resources is not in line with global sustainable development goals and will lead to high carbon footprints. Also, meeting the growing demand by imports would lead to a trade imbalance. Thus, Recycling becomes a good alternative as it requires 95% less energy to recycle aluminium than to produce primary aluminium.

(Source: <https://mines.gov.in/writereaddata/UploadFile/NFMScrapRecyclingFramework3.pdf>)

## **Recycling of Aluminium**

Aluminium is 100% recyclable and consumes 95% less and releases 95% less greenhouse gases as compared to primary aluminium and there is no loss of properties or quality during the recycling process. Products of aluminium, such as, UBC (Used Beverages Can), aluminium foils, plates and automotive components can be easily recycled, thereby, saving energy and reducing greenhouse emissions. Aluminium recycling process is less capital intensive than primary metal production as the process requires only 5% of energy, i.e., 13-15 thousand units of power for producing one tonne of aluminium through primary route. Recycling of aluminium saves about 6 kg of bauxite/kg and 14 kWh of electrical energy /kg of primary aluminium. Besides, it keeps the emission levels of greenhouse gases as low as 5% from the actual emission experienced during primary production. Further, recycling facilitates reduced stress on the use of bauxite and thereby preserving about six lakh tonnes of bauxite resources every year.

India's metal recycling rate is about 25%. All the activity related to aluminium scrap recovery are limited to the unorganised sectors, catering mostly to the utensil and casting industries. The proportion of recycled aluminium has been increasing over the years. It is expected that in the years to come, it will reach a figure of about 35-40% of total aluminium consumption. Currently, there is only one recycling unit of Hindalco in organised sector at Taloja with 25,000 tonnes annual capacity. Although the plant at Taloja was facing challenges due to less availability of scrap, the production from the unit has improved and the plant is now operating at 80% of the rated capacity as against earlier capacity of 60%.

Most recycling units in India operate on outdated, or primitive technology which leads to high levels of pollution and energy consumption. This is an area that needs to be addressed by the Indian Aluminium Industry. Due recognition of recycling could encourage users of aluminium particularly in transport, housing, packaging and durable sectors to broaden the organised markets for the scrap generated. The Government of Gujarat, in September, 2018 signed an MoU with Hindalco Industries Ltd for setting up of 3,00, 000 tonnes per annum aluminium recycling plant in Gujarat.

(Source: [https://ibm.gov.in/writereaddata/files/10082021115329Aluminium%20and%20Alumina\\_2019.pdf](https://ibm.gov.in/writereaddata/files/10082021115329Aluminium%20and%20Alumina_2019.pdf) )

## **Government initiatives for Recycling**

Ministry of Environment, Forest and Climate Change (MoEF&CC) is in the process of formulating National Resource Efficiency Policy (NREP) which aims to mainstream resource efficiency across all sectors, wherein Aluminium sector has been considered as a priority sector. Ministry of Steel has brought out Steel Scrap Recycling Policy which envisages a framework to facilitate and promote establishment of metal scrap recycling centers in India. Such centers will ensure scientific processing & recycling of ferrous scrap generated from various sources. The policy framework shall provide standard guidelines for collection, dismantling and shredding activities in an organized, safe and environmentally sound manner. Similarly, NITI Aayog is proposing a comprehensive “National Material Recycling Policy” to drive concerned and coordinated national and state level programs, plans and actions towards ramping up material recycling in India in a formal and organized manner.

(Source: <https://mines.gov.in/writereaddata/UploadFile/NFMScrapRecyclingFramework3.pdf>)

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Baheti Recycling Industries Limited.*

*All financial information included herein is based on our “Financial information of the Company” included on page 146 of this Draft Prospectus.*

Incorporated in 1994, we are an aluminium recycling Company, primarily engaged in processing aluminium based metal scrap to manufacture (i) aluminium alloys in the form of ingots and (ii) aluminium de-ox alloys in the form of cubes, ingots, shots and notch bar. The versatile properties of aluminium and its alloys, results in it being used in various industries, which include automobiles, construction, electrical transmission application, food packaging etc. Aluminium alloys are used in automobiles components due to its stiffness, corrosion resistance and excellent strength to weight ratio. The Aluminium de-ox alloys are used as deoxidizer in steel manufacturing units.

Aluminium is more environment-friendly than steel, plastic and other materials. It has widespread uses throughout the economy and is equally important to both the industrial and consumer sectors. Key sectors to drive aluminium consumption in India are Auto, Power, Electronics, Railways, Aerospace & Defence Construction, Solar Energy and Aluminium packaging. Aluminium is 100% recyclable and consumes 95% less energy and releases 95% less greenhouse gases as compared to primary aluminium and there is no loss of properties or quality during the recycling process. (Source: Indian Bureau of Mines).

As on the date of this Draft Prospectus, our manufacturing unit, situated at Dehgam (Gandhinagar, Gujarat) has 12,000 MT installed capacity for processing aluminium scrap. Our unit has a well-equipped laboratory, modern technology and testing equipments with supporting environment and facilities, to ensure that the products conform with the pre-determined standards. Our manufacturing facility is strategically located near to some of our customers’ manufacturing facilities allowing us to optimise our deliveries, reduce lead times and facilitate greater interaction with our customers.

We are a customer centric company, constantly striving to create value for our customers through products offered and committed deliveries. We primarily cater to the automotive parts and steel sector in India. Some of our esteemed customers includes ArcelorMittal Nippon Steel India, Tata Steel, Minda Corporation, Sigma Electric, Sunflag Iron & Steel Co. Ltd. etc. Currently, we market our products to around 11 states & Union Territories in India of which majority portion of the revenue comes from the state of Gujarat, Maharashtra, Orissa and Jharkhand. We also sell our products to the foreign buyers located in Japan, Canada, USA, China, Hong Kong, UAE, Taiwan etc. We export these products at the preferred location of the buyer, which is either the consignee’s country or buyer’s country. Our revenue from exports for F.Y. 2021-22 and F.Y. 2020-21 has been Rs. 2192.32 lacs and Rs. 1619.71 lakhs respectively which constituted 8.83% and 12.71% of our revenue from operations for the respective fiscal.

We are also engaged in trading of scrap materials such as aluminium scrap, brass scrap, copper scrap, zinc scrap etc. Our revenue from trading operations for F.Y. 2021-22 and F.Y. 2020-21 has been Rs. 2905.11 lacs and Rs. 2022.97 lakhs respectively which constituted 11.69% and 15.87% of our revenue from operations for the respective fiscal. We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Draft Prospectus, our manufacturing facility has accreditations such as ISO 9001:2015 for quality management systems, ISO 14001:2015 for environmental management systems and ISO 45001:2018 for occupational health and safety management systems.

Our Promoter, Shankerlal Bansilal Shah who is our Chairman and Whole Time Director, has over 35 years of experience in the aluminum recycling industry. In addition, we also have an experienced management team, which has brought in organizational and operational changes in our Company over the past few years. This team is backed by a core technical team that has substantial experience in manufacturing and the technical know-how. With the vast experienced management team, we have been able to grow multi-folds during the last decade.

## ***Baheti Recycling Industries Limited***

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As per the restated financial statements for the fiscal ended 2022, 2021 and 2020, the total income of our Company stood at Rs. 249.26 Cr., Rs. 127.80 Cr. and Rs. 105.96 Cr. respectively. Further, our PAT for the fiscal ended 2022, 2021 and 2020 stood at Rs. 291.98 lakhs, Rs. 47.78 lakhs and Rs. 19.19 lakhs respectively.

### **Our Competitive Strengths**

#### ***In-house manufacturing facility supported by technology driven process***

We presently carry all our manufacturing operations through our production facility located at Dehgam (Gandhinagar, Gujarat) which has an installed capacity of 12,000 MT for processing aluminium scrap. We believe that we have been able to setup an efficient, technology driven manufacturing process that has helped us to manufacture our products in accordance with the requirements and specifications of our customers in a cost-effective manner. For instance, we use equipment such as burners and metal circulation furnaces and Bailing Machines which help us in saving fuel costs and enable better recovery from scrap and dross generated on account of the melting process. For segregation of scrap, we use Magnetic Separator, eddy current separators and breaker machine to ensure that the materials being fed into the furnaces are devoid of most impurities. Our infrastructure in the manufacturing facility gives us the flexibility to process various types of metal scrap, and manufacture alloys in line with the required composition and also enables us to process and utilize various types of scrap. We believe, our technological expertise and the availability of adequate equipments provides us a cost competitive advantage which in turn provides us an advantage in securing purchase orders from customers across the industries.

#### ***Stringent quality control mechanism ensuring standardized product quality***

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing as well as our recycling process including a multi-stage check of raw materials, K mould test, spectrometer analysis and density index check, which are required to ensure that our finished product conforms with the exact requirement of our customers and successfully passes all validations and quality checks. We also have a dedicated team of engineers along with a well-equipped laboratory. Further, as a certification of the quality assurance, our Company has received ISO 9001:2015 for quality management systems, ISO 14001:2015 for environmental management systems and ISO 45001:2018 for occupational health and safety management systems. We believe that our focus on quality of products has enabled us to sustain and grow our business model to benefit our customers.

#### ***Diversified Client Base and long standing relationship with our customers***

We serve a diversified client base ranging from steel manufacturers to automotive ancillaries units, electrical equipments units, cable and conductor manufacturing units and other units engaged in manufacturing or distribution of aluminium products. We generally do not enter into long term agreements with our customers, however, we have developed long-standing relationships with these customers some of whom have been with us for over five years. For instance, companies such as Tata Steel Limited, Alpha Metal Industries and Victory Precisions Pvt. Ltd. have been our customers for the last five fiscals. Maintaining strong relationships with our key customers is essential to our business strategy and to the growth of our business. Owing to our strong customer relationships and service, we have been able to retain a number of our customers for a long period of time ensuring uninterrupted supplies of our products to them.

#### ***Strong and diversified supplier base for sourcing raw material***

One of the critical factors to grow and develop in our business is the ability to source raw materials. The essential raw material used by our manufacturing facility for production of aluminium alloy and de-ox alloy is aluminium based metal scrap, which are mostly imported by us. Our Company has been procuring aluminium scrap from various global suppliers located in USA, UK, Europe, Middle East and Australia, among others, as well as from certain domestic suppliers. Given that raw material expense constitutes a significant portion of our overall cost, we benefit majorly from a globally spread out and diversified supplier base. This enables us to negotiate favorable terms and even avail better discounts. Further, since metal scrap prices vary in international markets, a diverse base of suppliers allows us to selectively buy metal scrap and limit the adverse effects of the changing prices across metal scrap on account of the various global and domestic market conditions.

We continually strive to maintain strong relationships with our suppliers in order to derive better insight into the markets for our raw materials, which helps us to manage our raw material supply chain, resulting in greater predictability of supply and, consequently, a greater ability to meet production schedules and achieve on time delivery for our customers.

***Experienced Promoter supported by dedicated Management team***

Our Promoter Director, Mr. Shankerlal Bansilal Shah has been engaged in the business of aluminium recycling for last 35 years, which gives him an advantage of immense knowledge of the Industry, high contacts with clients and suppliers and better decision making power. He is involved in the day to day business and management of our Company. We also have a dedicated marketing team which plays an important role in business development. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities. For details regarding the Key Managerial Personnel, please refer to chapter titled "***Our Management***" on page 126 of this Draft Prospectus.

**Our Business Strategies*****Continue to invest in our technological capabilities in order to capitalize on future trends***

Recycling is a good alternative as it requires 95% less energy to recycle aluminium than to produce primary aluminium. Also, there is no loss of properties or quality during the recycling process. (Source: Indian Bureau of Mines). Thus, we believe that the demand of recycled aluminium will continue to grow.

Further, we believe that the demand for aluminium alloys are expected to increase in the automotive sector due to the (i) Government's initiative for faster adoption of Electric Vehicles (EVs) and (ii) Government's stringent vehicular emission norms requiring manufacturers to reduce the vehicle curb weight. Light-weight requirements to improve the efficiency of EVs would mean a greater proportion of aluminium in them than petrol and diesel vehicles, resulting in increase demand of aluminium in this sector. In order to capitalize on the future trends, we are in the process of undertaking expansion of our existing furnace capacity by setting up of new 7 electric heating furnace at our existing unit, which we expect to bring reasonable cost savings and a skelner furnace with capacity of 15 tons/batch along with ingot casting conveyor and scrap charging feeder. With installation of aforementioned furnaces, our production capacity will increase from the existing capacity of 12,000 MTPA to the extent of 20,000 MTPA. In addition, we intend to acquire (a) an optical emission spectrometer equipment (Spectromaxx), which will be used for quality testing of our products, (b) set of air pollution control system for modernization of our existing manufacturing unit.

Thus, going forward, we intend to continue making investments in capacity expansions and modernization of our equipment and facilities. We also seek to expand our capabilities in a cost efficient manner, by actively pursuing joint venture opportunities, acquisitions and strategic alliances with entities that are complementary to our business. We will continue to pursue such opportunities where we believe they will add value to our business, our stakeholders and our customers.

***Expand our international presence***

For the Fiscal 2021, our revenue from operations were Rs. 127.48 crores of which approximately 87.29% of the revenue were from domestic markets and 12.71% from international markets. Likewise, for the Fiscal 2022, our revenue from operations was Rs. 248.40 crores of which approximately 91.17% of the revenue were from domestic markets and 8.83% from international markets. Currently, we market our products to around 11 states & Union Territories in India of which majority portion of the revenue comes from the state of Gujarat, Maharashtra, Orissa and Jharkhand. The other states include Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh, Dadar Nagar Haveli & Daman Diu and Tamil Nadu. We also sell our products to the foreign buyers located in Japan, Canada, USA, China, Hong Kong, UAE, Taiwan etc. We export the products at the preferred location of the buyer, which is either the consignee's country or buyer's country. We further seek to identify markets where we believe we can provide cost advantages to our clients and distinguish ourselves from other competitors. Going forward, we would like to continue to expand our international operations to enhance our global presence.

***Continue to strengthen our relationships with the customers***

We have over the years established long-term relationships with our customers leading to recurrent business engagements with them. Our customers comprise of steel manufacturers, automotive ancillaries units, electrical equipments units, cable and conductor manufacturing units and other units engaged in manufacturing or distribution of aluminium products, some of whom have been with us for the last five Fiscals. We believe that our customer retention levels reflect our ability to provide high quality products, and our consistent customer servicing standards have enabled us to increase our customer dependence on us. We strive to clearly understand our customers' business needs and provide products that maximize their returns. We anticipate that our product offerings and the

## Baheti Recycling Industries Limited

quality thereof will help us in increasing our share of business amongst our existing customers as well as increase our customer base.

### ***Continue to strive for cost efficiency***

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facility. Higher operational effectiveness results in greater production volumes and higher sales which allows us to reduce our fixed cost and thereby, increasing our profit margins. We wish to constantly pass such benefit to our customers and increase our efficiency further. We also wish to target economies of scale to gain increased negotiating power on procurement.


### ***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with customers.

### **Our Manufacturing Facility at Dehgam (Gandhinagar, Gujarat):-**



### **Product portfolio:**

Products	Forms	Description
Aluminium Alloys	 <p>(Ingots)</p>	<ul style="list-style-type: none"> <li>Aluminium Alloy Ingots are produced by adding other alloying elements such as silicon, copper, magnesium, manganese, titanium, strontium etc.</li> <li>Aluminium Alloys are produced in different type of grade such as ADC-12, ADC-6, LM-6, LM-9, ALSI-8 CU3 etc. These grades contain composition of Aluminium around 80% to 85% and remaining other alloys.</li> <li>Aluminium Alloys are capable to withstand high temperature and have optimal resistance against corrosion.</li> <li>Used in Automobile, Electronics, LED Components and Die-casting Industries.</li> </ul>

<p><b>Aluminium Deox Alloys</b></p>	<div data-bbox="318 312 761 581" data-label="Image"> </div> <p>(Cubes)</p> <div data-bbox="318 690 779 915" data-label="Image"> </div> <p>(Notch Bar)</p> <div data-bbox="391 1020 719 1316" data-label="Image"> </div> <p>(Shots)</p> <div data-bbox="318 1423 790 1667" data-label="Image"> </div> <p>(Ingots)</p>	<ul style="list-style-type: none"> <li>Aluminium Deox Alloys are anti- oxidant products, used to remove gases from molten steel.</li> <li>Deox is made from Aluminium scrap such as used Beverages Cans, used Radiators, sheets, foils etc. It contains the purity 93% to 99% as per the requirements of customers. There is no other Alloy elements (Metals) are mixed.</li> <li>We produce Deox alloys in the form of cubes, ingots, shots and notch bar.</li> <li>Aluminium Deox alloys are characterized with optimal resistance against corrosion and heat and have high durability</li> <li>Used in manufacturing steel, Aluminium Cables, utensils etc.</li> </ul>
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*Baheti Recycling Industries Limited*

The following table sets out the bifurcation of our sales turnover for the fiscals as indicated:

(Rs. in lacs)

Particulars	Fiscal year ended March 31, 2021	% of Revenue	Fiscal year ended March 31, 2022	% of Revenue
<b>Revenue From Manufacturing Operations</b>				
<b>Product Category: Aluminum De-ox</b>				
Aluminum Cubes	3,413.68	26.78%	7607.45	30.63%
Aluminum Ingots	641.50	5.03%	762.12	3.07%
Aluminum Shots	221.55	1.74%	895.43	3.60%
Aluminum Notchbar	0.63	0.00%	876.58	3.53%
<b>Sub-Total</b>	<b>4,277.36</b>	<b>33.55%</b>	<b>10141.58</b>	<b>40.83%</b>
<b>Product Category: Aluminum Alloys</b>				
Aluminum Alloys Ingots	6,440.35	50.52%	9583.22	47.41%
<b>Sub-Total</b>	<b>6,440.35</b>	<b>50.52%</b>	<b>9583.22</b>	<b>47.41%</b>
<b>Others</b>				
Aluminium Ash/Dross	7.65	0.06%	17.54	0.07%
<b>Sub-Total</b>	<b>7.65</b>	<b>0.06%</b>	<b>17.54</b>	<b>0.07%</b>
<b>Total Revenue from Manufacturing Operations</b>	<b>10,725.36</b>	<b>84.13%</b>	<b>19,742.34</b>	<b>88.31%</b>
<b>Revenue From Trading Operations</b>				
Aluminium Scrap	1,197.42	9.39%	1679.85	6.76%
Brass Scrap	191.33	1.50%	238.55	0.96%
Silicon Metal	120.83	0.95%	164.89	0.66%
Zinc Scrap	140.48	1.10%	76.59	0.31%
Ferro Chrome	88.43	0.69%	126.17	0.51%
Copper Scrap	80.98	0.64%	337.98	1.36%
Other Scrap	203.5	1.60%	281.08	1.13%
<b>Total Revenue from Trading Operations</b>	<b>2,022.97</b>	<b>15.87%</b>	<b>2905.11</b>	<b>11.69%</b>
<b>Total Revenue from Operations</b>	<b>12,748.33</b>	<b>100.00%</b>	<b>24,839.76</b>	<b>100.00%</b>

**MANUFACTURING PROCESS:**

Set forth below is a brief description of the process carried out in our facility to manufacture aluminium alloy and de-ox products:

- Material Receiving:** - We procure aluminium based scrap from various suppliers located in USA, UK, Europe, Middle East and Australia. Major scraps used are zorba, taint tabor, tense, troma, tally, telic and taldon.
- Segregation of scraps** - Sorting of scraps is carried out in the cold refining section which separates the aluminium content from mixed metal scrap. Such segregation is done with the help of advanced equipment such as eddy current, magnetic separator, water washing system and conveyor belt. We also employ skilled sorters for hand picking of various metals from the scrap.
- Melting** - Segregated aluminium is melted in the hot refining furnace. To get optimum recoveries from various varieties of aluminium scrap, our company uses various types of melting furnaces such as Silicon Carbide Furnaces, Rotary furnaces and Pit furnaces.
- Drossing** - During melting of aluminium, a layer of aluminium oxide (dross) is created on the surface of the molten metal in the furnace. This dross is removed from the furnace and further processed to extract the aluminium content present in it. The equipments employed by our Company to process dross include integrated dross separation machines and pulverizers.

5. **Alloying** - After drossing, a sample is taken from the furnace and is sent for testing the chemical composition. On the basis of the test reports, other desired elements are added to achieve a specific alloy composition. This process is called as alloying process, which results in production of aluminium alloys.
6. **Casting**- After ensuring adherence of all quality parameters, the molten metal from the melting furnace is either casted into ingots or cubes or notch bars or shots. We also use auto casters and stackers for ensuring adequate shape, size and packaging.
7. **Quality Assurance** - Our company conducts various quality checks to ensure that the quality of the end product is as per the set standards. Various checks employed by us for ensuring proper quality includes K mould test, spectrometer analysis and density index.
8. **Dispatch**—After quality test and final visual pre dispatch inspection, the products are dispatched to customers.

### **PLANT & MACHINERY**

Some of the major plant & machineries installed in our unit include Automatic Ingot casting machine, Breaker Machine, Eddy Current Machine, Magnetic Separator, Bailing Machine, rotary furnace, spectrometer, pulverizers etc.

### **INSTALLED CAPACITY & CAPACITY UTILISATION:-**

#### **Aluminum De-ox & Aluminum Alloys**

Particulars	2019-20	2020-21	2021-22	Existing Installed Capacity (p.a.)
Installed Capacity (in Mt)	12,000	12,000	12,000	
Actual Production (in Mt)	8287.67	8124.99	11,053.23	12,000
Capacity Utilization (in %)	69.06%	67.71%	92.11%	

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary. For details, please refer to Chapter titled “Risk factors” page 25 of this Draft Prospectus.

**Collaborations/Tie Ups/ Joint Ventures:** We have not entered into any technical or financial or any other collaboration agreement as on the date of filing of this Draft Prospectus.

**Export Obligation:** Our Company does not have any export obligation, as on date of this Draft Prospectus.

### **SALES AND MARKETING:-**

Our Sales and Marketing team keeps a track of new leads and stay in touch with our existing customers for procuring and execution of product orders. We undertake a detailed exercise periodically to identify existing and prospective clients with the potential to develop into a large clientele base. The senior management is actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels. Our marketing team along with our promoter through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoter and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

### **COMPETITION:-**

The aluminum recycling industry is extremely competitive where the key factors of competition primarily comprise of product quality, cost, delivery, development and management. In this highly competitive industry, we compete with other aluminium alloy manufacturers and suppliers in the world and in India. Some of our competitors have better penetration in some of the geographical locations that we operate in. We believe that our cost effective and integrated facility, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products. While these

## Baheti Recycling Industries Limited

factors are key parameters the in-client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most of the deals. Some of our significant competitors in the organized segment includes Arfin India Limited, Nupur Recyclers Limited, CMR Green Technologies Limited, Sakar Industries Pvt. Ltd. and Guru Rajendra Metalloys India Pvt Ltd. We believe that the Competition in the aluminium manufacturing industry is likely to further intensify in view of the continuing globalization and consolidation in the automotive industry.

### Infrastructure & Utilities:

**Raw Materials:** The essential raw material used by our manufacturing facility for production of aluminium alloy and de-ox alloy is aluminium based metal scrap. Our Company has the capability to procure and process a variety of aluminium based scrap such as zorba, taint tabor, tense, troma, tally, telic and taldon. A brief description of some of these forms of scrap is set forth hereunder.

**Zorba -** Zorba consists of various metallic substances such as aluminium, copper, lead, magnesium, brass, stainless steel, nickel, tin and zinc in solid form.

**Taint Tabor -** This is a kind of scrap which consists of clean old aluminium sheet of two or more alloys, free of foil, venetian blinds, castings, hair wire, screen wire and other non-metallic items.

**Tense -** Tense consists of clean aluminium casting which may contain auto and airplane castings but no ingots.

**Troma -** Troma consists of clean, single-piece, un-plated aluminium wheels of a single specified alloy, free of all inserts, steel, wheel weights, valve stems, tires, grease and oil.

**Tally -** Tally consists of clean aluminium radiators and condensers.

The major portion of aluminium scrap is imported by us from other countries such as USA, UK, Europe, Middle East and Australia. The other raw material used by us consists of aluminium dross, brass scrap, copper scrap, silicon metal, MGO gas etc.

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. Uttar Gujarat Vij Company Ltd.

**Water:** The existing water requirement for our manufacturing unit is met from external sources.

**Manpower:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. We aim towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations. As on March 31, 2022, our Company has employed over 250 employees (including labour) at various levels of the Organization. We also employ manpower on contractual basis also.

### PROPERTY:-

#### Intellectual Property

##### **Trademarks used by our Company:**

Sr. no.	Description	Trademark Number/Application No./Registration Certificate Number	Issuing Authority	Class	Status
1.		Application No. 5281013	Registrar of Trademarks	6	Objected

**Immovable Properties:**

The following are the details of the immovable properties owned / leased/rented by our Company:-

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Registered Office	A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India	The said property has been obtained on rent from Mr. Shankerlal Bansilal Shah vide leave and licence agreement dated February 04, 2022 for a period of 11 months and 29 days at a rent of Rs. 18,000 p.m. w.e.f. January 01, 2022.
2.	Manufacturing Facility	176-197-198, Shreenath Ind, Estate, Post- Sampa, Tal. Dehgam, Gandhinagar, Gujarat, 382305	Owned
3.	Will be used for expansion of existing Manufacturing facility	174-175, Shreenath Ind, Estate, Post- Sampa, Tal. Dehgam, Gandhinagar, Gujarat, 382305	Owned

**Insurance:**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our principal types of coverage include insurance for fire, theft, explosion, lightening, earthquake and other natural calamities for our factory building, plant & machinery, furniture and stock. Also, we have obtained insurance policies in respect of employees compensation and vehicle insurance. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “Risk Factors” beginning on page 25 of this Draft Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 199 of this Draft Prospectus.*

**This chapter has been classified as under:**

- A. Industrial laws**
- B. Corporate and Commercial laws**
- C. Labor and Employment Laws**
- D. Environmental laws**
- E. Tax Laws**
- F. Foreign Regulations**
- G. Intellectual Property Laws**

### **A. INDUSTRIAL LAWS**

#### **National Non-Ferrous Metal Scrap Recycling Framework, 2020**

The National Non-Ferrous Metal Scrap Recycling Framework, 2020, as amended (the “Non-Ferrous Metal Recycling Framework”) issued by the Ministry of Mines, Government of India, envisages bringing both product and processing stewardship to enhance Non-Ferrous Metal recycling. Its objectives include, inter alia, promotion of a formal and well-organized recycling ecosystem; adoption of data-based analysis and policy making at all stages of the recycling chain; production of high quality scrap for quality secondary production whilst minimizing the dependency on imports; achieving technological leadership in scientific methodology; bettering the quality of scrap produced; and to promote the 6Rs principles of Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture through scientific handling, processing and disposal of all types of non-ferrous scrap, through authorized centres / facility. The Non-Ferrous Metal Recycling Framework aims to achieve its goal of having a sustainable non-ferrous metal recycling eco-system in the long run by, inter alia, setting up a central authority for recycling of metals which may be called as Metal Recycling Authority; placing obligations on the stakeholders involved in the process; setting up an institutional mechanism for carrying out studies and advance research in the field of recycling of metal; and by having the government encourage and provide support to research & development in metal scrap recycling. It also aims to develop specified metal recycling zones with facility for collection, segregation, dismantling etc. of metal scrap and ensure quality control by fixing minimum infrastructure requirement for recycling units with clear minimum standards and criteria for the processing of recyclables to produce consistent, high quality streams of recyclable material.

#### **Steel Scrap Recycling Policy, 2019**

The Steel Scrap Recycling Policy, 2019, as amended (the “Steel Recycling Policy”) was introduced by the Ministry of Steel, Government of India, envisaging a framework to facilitate and promote the establishment of metal scrapping centres in India. The policy aims to ensure scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe and environmentally sound manner. The policy aims to achieve the objectives, inter alia, to promote circular economy in the steel sector; to promote a formal and scientific collection; dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap; processing and recycling of products in an organized, safe and environment friendly manner; to evolve a responsive ecosystem by involving all stakeholders; to produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports; to decongest the Indian cities from end of life vehicles (“ELVs”) and reuse of ferrous scrap; to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 issued by Ministry of Environment, Forest and

Climate Change; and to promote 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including nonferrous scraps, through authorized centres / facility.

### **The Factories Act, 1948**

The Factories Act, 1948, as amended ("**Factories Act**") seeks to regulate the employment of workers in factories and makes provisions for the health, safety and welfare of the workers while at work in the factory including requiring adequate maintenance of plant, systems and other places of work, and provision of adequate training and supervision. The Factories Act defines a 'factory' to be any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or a premises where there are at least 20 workers who are engaged in a manufacturing process without the aid of power. Each State Government has set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories.

### **Gujarat Factories Rules, 1963.**

The Factories Act is a social legislation that has been enacted for occupational safety, health, and welfare of workers at work place. The State of Gujarat has formulated its rules as envisaged under the Act and they are known as The Gujarat Factories Rules, 1963. The Gujarat Labour and Employment Department issued the Gujarat Factories (Amendment) Rules, 2021 to further amend the Gujarat Factories Rules, 1963.

### **The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019**

The Gujarat Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2019 ("2019 Act") was published in the gazette of the State of Gujarat on Mar 7, 2019 and has been in force from May 1, 2019. The shops and establishments already validly registered under the erstwhile 1948 Act are not required to register themselves afresh under the new Act until the expiry of the previous registration. Traders and businessmen having up to 9 workers are exempt from registration. Such employers are required to submit an online application along with self-certified documents within 60 days of commencement of business. As regards shops and establishments having 10 or more workers, an application for registration, self-declaration and self-certified documents must be submitted to the concerned Inspector along with prescribed fees within 60 days of commencement of business. Once registered under the 2019 Act, the shops/establishments shall remain validly registered until there is change in ownership or nature of business. This means the registration obtained shall not be required to be renewed.

### **Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010**

The Indian Electricity (IE) Rules, 1956 was made under section 37 of the Indian Electricity Act, 1910 and redefined after enactment of The Electricity Act, 2003. CEAR namely Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 came into effect from 20th September 2010, in place of The Indian Electricity Rules, 1956.

### **The Aluminium (Control) Order, 1970**

The Central Government in exercise of the powers conferred by Section 3 of the Essential Commodities Act, 1955 (10 of 1955), made the Aluminium (Control) Order, 1970.

### **The Municipal Solid Wastes (Management and Handling) Rules, 2000**

The Municipal Solid Wastes Rules apply to every municipal authority responsible for the collection, segregation, storage, transportation, processing, and disposal of municipal solid wastes. The rules stress the Municipal Solid Wastes should be disposed by following proper scientific management. It gives more emphasis to proper collection, segregation, transportation, processing and disposal of solid waste so as to protect the environment and health of the public. The rules also lay emphasis to upgrade existing facilities to arrest contamination of soil and ground water.

## **B. CORPORATE AND COMMERCIAL LAWS**

**Companies Act, 2013**

Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

**Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti-competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

**Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

**The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

**Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

**The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

**The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

### **The Micro, Small and Medium Enterprises Development Act, 2006 r/w Industries (Development and Regulation) Act, 1951**

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) (ii) a small enterprise, where the investment in plant and machinery is more than Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than Rs. 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs. 10,00,00,000/- (Rupees Ten Crores Only). The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Consumer Protection Act, 2019**

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers' disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up under the Act.

## **C. LABOUR AND EMPLOYMENT LAWS**

### **Industrial (Development and Regulation) Act, 1951**

This Act has been liberalized under the New Industrial Policy dated July 24<sup>th</sup>, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended ("EPF Act") applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

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

This statute 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. Under this Act, the employment of child labour in the building and construction industry is prohibited.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

### **The Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947, as amended provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the conciliation officer may settle such dispute or the appropriate government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

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

Where death or injury to any person (other than a workman) or damage to any property has resulted from an accident, the owner shall be liable to give such relief as is specified in the Schedule for such death, injury or damage:

- (i) Reimbursement of medical expenses incurred up to a maximum of Rs. 12,500 in each case.
- (ii) For fatal accidents the relief will be Rs. 25,000 per person in addition to reimbursement of medical expenses if any, incurred on the victim up to a maximum of Rs. 12,500.
- (iii) For permanent total or permanent partial disability or other injury or sickness, the relief will be (a) reimbursement of medical expenses incurred, if any, up to a maximum of Rs. 12,500 in each case and (b) cash relief on the basis of percentage of disablement as certified by an authorised physician. The relief for total permanent disability will be Rs. 25,000.
- (iv) For loss of wages due to temporary partial disability which reduces the earning capacity of the victim, there will be a fixed monthly relief not exceeding Rs. 1,000 per month up to a maximum of 3 months: provided the victim has been hospitalised for a period of exceeding 3 days and is above 16 years of age.
- (v) Up to Rs. 6,000 depending on the actual damage, for any damage to private property.

### **Code of Wages, 2019**

The Code aims to consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. It received the assent of President of India on August 08, 2019. The Code contains procedure for fixing minimum wage, limit for fines and deductions in wages, minimum and maximum bonus, calculation of allocable and available surplus, as well as gender neutral consideration in fixing wages. The Code has given the power to Central Government to fix a “floor wage” and the State governments cannot fix any minimum wage less than the “floor wage”. It amalgamates and subsumes four imperative labour laws - the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The date of implementation of the Code is yet to be notified.

### **The Code on Social Security, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code aims to provide better social security benefits such as provident fund, insurance and gratuity to workers. It extends the reach of the Employees' State Insurance Corporation and the Employees' Provident Fund Organization (which regulate benefits such as provident fund, insurance, pension, etc.) to the workers in the unorganized sector and the platform and gig workers. The Code further stipulates gratuity benefit for fixed term employees without any condition for minimum service period as envisaged under the current regime. The Code subsumes nine (9) labour laws relating to social security, namely, the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine-Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers Social Security Act, 2008.

### **The Industrial Relations Code, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code aims to streamline the laws regulating industrial disputes and trade unions in India. For the benefit of the employers, the Code has introduced various aspects such as increasing the threshold of workers to three hundred (300) for obtaining the consent of the concerned government in case of lay off, retrenchment or closure of the establishment, notice of change not required to be given subject to the conditions stipulated in the Code, increasing the wage threshold to INR 18,000 (Indian Rupees Eighteen Thousand) for exclusion from the definition of worker, etc. The Industrial Relations Code also introduces the concept of deemed certification of standing orders. The Code subsumes three labour laws relating to industrial relations, namely, the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947

### **Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) is one of three new labor codes that will consolidate the bulk of labor legislation in India and streamline labor compliance besides expanding the social security net for workers. This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. Rules to implement the Code are expected to be finalized in the next few weeks.

New establishments covered by the OSH Code must register themselves (within 60 days of commencement of the Code) with registering officers appointed by the appropriate government. Establishments already registered under any other federal law will not be required to register again.

Every employer is directed to undertake the following obligations by the OSH Code:

- Ensure that the workplace is free from hazards can cause injury or occupational disease to the employees and comply with the OSH Code and the government's directions on the same;
- Provide free annual health examination or testing, free of cost, to certain classes of employees;
- Provide and maintain, as reasonably practical, a working environment that is safe and without risk to the health of the employees;
- Issue letters of appointments to employees; and
- Ensure that no charge is levied on any employee for maintenance of safety and health at workplace, including the conduct of medical examination and investigation for the purpose of detecting occupational diseases.

Further, the Code directs employers with respect to factories, mines, dock work, building and other construction work, or plantations to ensure: (i) safety arrangements in the workplace and absence of risk to health in connection with the use, storage, and transport of articles and substances; (ii) provision of such information, instruction, training, and supervision as are necessary to ensure the health and safety of all employees at work, etc. This Code shall subsume more than 10 labour laws including Factories Act 1948, Contract Labour Act 1970 and Mines Act 1952.

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the

rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

#### **D. ENVIRONMENTAL LAWS**

##### **Environment Protection Act, 1986**

The Environment Protection Act, 1986 is an “umbrella” legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

##### **Water (Prevention and Control of Pollution) Act, 1974, as amended**

The Water (Prevention and Control of Pollution) Act, 1974 prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

##### **The Water (Prevention and Control of Pollution) Cess Act, 1977**

Provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

##### **The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981 requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

##### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

##### **Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016 (“HW Rules”)**

The HW Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes through a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and disposal of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The new HW Rules as compared to the Rules of 2008 have enlarged the scope of regulated wastes by including ‘other wastes’ in its ambit. Other wastes include: Waste tyre, paper waste, metal scrap, used electronic items, etc. and are recognized as a resource for recycling and reuse. These resources supplement the industrial processes and reduce the load on the virgin resource of the country.

#### **E. TAX LAWS**

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

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976**

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

### **Goods and Services Tax**

**The Central Goods and Services Tax Act, 2017** received assent of the President on 12<sup>th</sup> April 2017 and came into force from 1<sup>st</sup> July 2017. Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India such as Service tax, Central Excise Act, Entry Tax, Octroi, Additional customs duty and other draconian indirect taxes. There are 3 taxes applicable under this system- CGST, SGST, IGST.

**CGST:** is collected by the Central Government on an intra-state sale;

**SGST:** Collected by the State Government on an intra-state sale;

**IGST:** Collected by the Central Government for inter-state sale.

Therefore, in addition to the CGST Act, the company has to comply with the requirements of State GST laws as well in which it has operations.

**Following laws which have been subsumed in GST Act were applicable to the Company till 30th June 2017 and shall remain applicable here after as stated in the GST Act.**

### **Central Excise Act, 1944 and Excise Regulations**

The Central Excise Act, 1944 sought to impose an excise duty on excisable goods which are produced or manufactured in India. Excise duty was levied on production of goods but the Liability of excise duty arose only on removal of goods from the place of storage, i.e., factory or warehouse.

### **Central Sales Tax Act, 1956**

Central Sales Tax ("CST") was levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST was payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate.

### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It was levied at such rate as may be specified by the State Government and different rates may be specified for different goods.

#### **Service Tax, (the 'Finance Act, 1994')**

Service tax was charged on taxable services as defined in Chapter V of Finance Act, 1994, which required a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government.

There are other indirect taxes which are now subsumed under GST and these are Additional Duties of Excise, Cess, Purchase Tax, Taxes on advertisements.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

### **F. FOREIGN REGULATIONS**

#### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992 [herein after FTA], provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### **Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 [last amended on June 23, 2017]. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

### **G. Intellectual Property Laws**

#### **The Trademarks Act, 1999 ("Trademarks Act")**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

**The Patents Act, 1970**

The Patents Act, 1970 came into force in the year 1972, amending and consolidating the existing law relating to Patents in India. An invention relating to a product or a process that is new, involving inventive step and capable of industrial application can be patented in India. However, it must not fall into the category of inventions that are non-patentable as provided under sections 3 and 4 of the (Indian) Patents Act, 1970. In India, a patent application can be filed, either alone or jointly, by true and first inventor or his assignee.

The Patents Act, 1970 was again amended by the Patents (Amendment) Act, 2005, wherein product patent was extended to all fields of technology including food, drugs, chemicals and micro-organisms. After the amendment, the provisions relating to Exclusive Marketing Rights (EMRs) have been repealed, and a provision for enabling grant of compulsory license has been introduced. The provisions relating to pre-grant and post-grant opposition have been also introduced.

## **HISTORY AND CORPORATE STRUCTURE**

### **Brief history of our Company**

Our Company was originally incorporated as a public limited Company under the name of “Baheti Metal and Ferro Alloys Limited” on December 28, 1994 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat bearing registration number as 04-24001. Subsequently, pursuant to special resolution passed by the shareholders of the Company at the Extra ordinary general meeting held on January 06, 2022, the name of our Company was changed from “Baheti Metal and Ferro Alloys Limited” to “Baheti Recycling Industries Limited” vide a fresh certificate of incorporation dated January 25, 2022, issued by the Registrar of Companies, Ahmedabad, Gujarat bearing CIN as U37100GJ1994PLC024001.

Mr. Bansilal Ramkishan Shah, Mr. Shankerlal Bansilal Shah, Mr. Kshitish Madanmohan Shah, Mr. BanshilalGordhanlal Shah, Mrs. Savitaben Shankerlal Shah, Mrs. Rupalben Bansilal Shah and Mr. JamnalalMaliwal were the initial subscribers to the Memorandum of Association of our Company.

### **Address of the Registered Office and Factory Unit**

<b>Registered Office</b>	A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India
<b>Factory Unit</b>	176-197-198, Shreenath Ind, Estate, Post- Sampa, Tal. Dehgam, Gandhinagar, Gujarat, 382305

### **Changes in Registered Office of the Company**

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Effective date	From	To	Reason for change
October 26, 1995	6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat, India	A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India	Administrative convenience

### **Main Objects of Memorandum of Association**

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

1. To carry on the business of manufacturers, traders, dealers producer, processor, designer, developer, inventor, assembler, fabricator, distributor, marketer, seller, service provider, and re-cyclers of various kinds of ferrous and nonferrous metals, scraps, aluminium scrap, aluminium alloys, aluminium deoxidant, aluminium alloys ingots, aluminium Ingots, aluminium ,Notch Bar, aluminium Cubes, Aluminium Shots aluminium wires, aluminium rods, aluminium cables, aluminium conductors, alloy steels, ferro-alloys, miners, smelters, engineers, iron and steel foundries in all or any of their respective branches, Metallurgical prospectors, explorers, contractors, agents.
2. To manufacture, import, export, buy, sell, re-cycle, distribute or otherwise deal in all types of ferrous and non-ferrous ores, metals, metal alloys, and amalgams in any form or shapes.

### **Amendments to the Memorandum of Association**

Except as stated below, there has been no change in the Memorandum of Association of our Company since its incorporation:

Date of Meeting	Type of Meeting	Amendments
March 29, 1995	EGM	Authorized share capital of the company has been increased from Rs. 10,00,000/- to Rs. 1,50,00,000/-
June 03, 1995	EGM	Authorized share capital of the company has been increased from Rs. 1,50,00,000/- to Rs.

### *Baheti Recycling Industries Limited*

		2,00,00,000/-
August 01, 1997	EGM	Authorized share capital of the company has been increased from Rs. 2,00,00,000/- to Rs. 3,00,00,000/-
July 15, 1998	EGM	Authorized share capital of the company has been increased from Rs. 3,00,00,000/- to Rs. 4,00,00,000/-
February 07, 2000	EGM	Alteration of Clause III (c ) 10 & 22 of Memorandum of Association as  10. To carry on all or any of the business of finance brokers, registrar to the issue and transfer agent, issue house or insurance agents/ Brokers and agent or underwriter, consultants, etc. 22. To carry on the Business of an investment company and to invest in and acquire and hold and otherwise deal in shares, stocks, debentures etc.
January 06, 2022	EGM	Name of the Company has been changed from “Baheti Metal and Ferro Alloys Limited” to “Baheti Recycling Industries Limited” vide a Fresh Certificate of Incorporation dated January 25, 2022, bearing CIN U37100GJ1994PLC024001 issued by the Registrar of Companies, Ahmedabad, Gujarat. Apart from the above, Main object clause i.e. Clause III (A) of the company has been also changed by replacing existing Sub-clause 1 and 2 with following clause 1 and 2:  1. To carry on the business of manufacturers, traders, dealers producer, processor ,designer, developer, inventor, assembler, fabricator, distributor, marketer, seller, service provider, and recyclers of various kinds of ferrous and nonferrous metals, scraps, aluminium scrap, aluminium alloys, aluminium deoxidant, aluminium alloys ingots, aluminium Ingots, aluminium ,Notch Bar, aluminium Cubes, Aluminium Shots, aluminium wires, aluminium rods, aluminium cables, aluminium conductors, alloy steels, ferro-alloys, miners, smelters, engineers, iron and steel foundries in all or any of their respective branches, Metallurgical prospectors, explorers, contractors, agents.  2. To manufacture, import, export, buy, sell, re-cycle, distribute or otherwise deal in all types of ferrous and non-ferrous ores, metals, metal alloys, and amalgams in any form or shapes.
February 14, 2022	EGM	Authorized share capital of the company has been increased from Rs. 4,00,00,000/- to Rs. 10,50,00,000/-.

### **Adopting new set of Articles of Association of the Company**

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013, in the Extra Ordinary General Meeting of the Company dated June 22, 2022.

### **Major events and milestones of our Company**

The table below sets forth some of the major events in the history of our company:

<b>Year/F.Y.</b>	<b>Key Events / Milestone / Achievements</b>
1994	Incorporation of our Company as “Baheti Metal and Ferro Alloys Limited” under the Companies Act, 1956.
1995-96	Commencement of manufacturing operations
2005-06	Crossed revenue of Rs. 50 crores
2017-18	Crossed revenue of Rs. 100 crores
2022	Change in the name of our Company from “Baheti Metal and Ferro Alloys Limited to Baheti Recycling Industries Limited”.
2022	Amalgamation of “Yash Metals Private Limited” with our Company

### **Our holding company**

As on the date of this Draft Prospectus, our Company does not have a holding company.

**Subsidiaries, Associates, and Joint Ventures**

As on the date of this Draft Prospectus, our Company does not have any Subsidiaries or associates or joint ventures.

**Strategic or Financial Partnerships**

As on the date of this Draft Prospectus, Our Company does not have any strategic or financial partnerships.

**Time and Cost Overruns in Setting up Projects**

There has been no time / cost overrun in setting up projects by our Company.

**Other details about our Company**

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled ***"Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price"*** on pages 103, 185 and 87 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled ***"Our Management"*** and ***"Capital Structure"*** beginning on page 126 and 55 of the Draft Prospectus respectively.

**Defaults or Rescheduling of Borrowings with Financial Institutions/Banks**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Prospectus.

**Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.**

Except as disclosed below, our Company has not undertaken any merger, demerger, amalgamation, acquisition or divestment in the 10 years preceding the date of this Draft Prospectus.

**Scheme of Amalgamation between Yash Metals Private Limited and our Company**

A scheme of Amalgamation was filed for amalgamation of Yash Metals Private Limited (the "Transferor") with our Company (the "Transferee") before the National Company Law Tribunal, Ahmedabad Bench ("NCLT"), under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 ("Scheme of Amalgamation"), seeking approval for the amalgamation of the Transferor into the Transferee. The appointed date for the Scheme of Amalgamation was April 01, 2021 ("Appointed Date"). The Scheme of Amalgamation was sanctioned and an order of the NCLT was delivered on February 23, 2022 ("Order"). The Scheme of Amalgamation came into effect from March 07, 2022, which was the date on which a certified copy of the Order was filed with the RoC ("Effective Date").

In terms of the Scheme of Amalgamation, with effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, quotas, approvals, lease, tenancy rights, permission, incentives if any and all other rights, title, interest, contracts, consent, approvals or powers of every kind of nature and descriptions whatsoever shall under the provision of section 230 to 232 of the Companies Act, 2013 and in accordance with provisions of section 2(1B) of the Income-tax Act, 1961 and pursuant to the order of the NCLT, Ahmedabad, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company. Accordingly, the Transferor stood amalgamated with our Company as a going concern, and all assets, liabilities, licences, permits, etc., as applicable, stood transferred or deemed to be transferred to and vested in our Company.

In addition, 6,84,882 equity shares of our Company held by the Transferor also stood cancelled in terms of the Scheme of Amalgamation. Additionally, the Transferee substituted the Transferor in all legal proceedings, if any, involving the Transferor. In consideration of the assets, liabilities and undertakings of the Transferor becoming the assets, liabilities and undertakings of the Transferee, the Transferee issued and allotted three equity shares for each equity share of Rs.10 each held by the shareholders of the Transferor. Accordingly, our Company cumulatively issued and allotted 15,00,000 equity shares to the erstwhile shareholders of the Transferor. For details of such allotment, see "Capital Structure" on page 55.

### **Revaluation of assets in the last 10 years**

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Prospectus

### **Shareholders Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

### **Agreement with key managerial personnel or Directors or Promoter or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Directors or Promoter or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### **Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

## OUR MANAGEMENT

### Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Shankarlal Bansilal Shah</b></p> <p><b>Designation:</b> Chairman &amp; Whole Time Director</p> <p><b>Age:</b> 56 years</p> <p><b>Date of Birth:</b> February 17, 1966</p> <p><b>Address:</b> 6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat – 380004, India.</p> <p><b>Experience:</b> 35 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Higher Secondary</p> <p><b>Current Term:</b> For a period of five years, with effect from March 07, 2022, liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since incorporation</p> <p><b>DIN:</b> 00131715</p>	Nil
<p><b>Balkishan Shankarlal Shah</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Age:</b> 34 years</p> <p><b>Date of Birth:</b> July 10, 1988</p> <p><b>Address:</b> 6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat – 380004, India.</p> <p><b>Experience:</b> 10 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B. Com, Post Graduate Programme in Management (Family Managed Business)</p> <p><b>Current Term:</b> For a period of five years, with effect from March 07, 2022, liable to retire by rotation</p>	Nil

<b>Period of Directorship:</b> Since October 10, 2017  <b>DIN:</b> 03006486	
<b>Yash Shankerbhai Shah</b>  <b>Designation:</b> Joint Managing Director  <b>Age:</b> 28 years  <b>Date of Birth:</b> July 30, 1993  <b>Address:</b> 6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat – 380004, India.  <b>Experience:</b> 6 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> B. Com, Post Graduate Program in Global Family Managed Business  <b>Current Term:</b> For a period of five years, with effect from March 09, 2022  <b>Period of Directorship:</b> Since March 07, 2022  <b>DIN:</b> 09527701	
<b>Ayushi Yash Shah</b>  <b>Designation:</b> Non-Executive Director  <b>Age:</b> 28 years  <b>Date of Birth:</b> April 27, 1994  <b>Address:</b> 6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat – 380004, India  <b>Experience:</b> 2 Years  <b>Occupation:</b> Business  <b>Qualification:</b> MBA (Finance)  <b>Current Term:</b> Appointed with effect from March 07, 2022, liable to retire by rotation  <b>Period of Directorship:</b> Since March 07, 2022  <b>DIN:</b> 09527729	Nil
<b>Satya Narain Mittal</b>	Nil

<p><b>Designation:</b>Independent Director</p> <p><b>Age:</b> 67 years</p> <p><b>Date of Birth:</b> November 20, 1954</p> <p><b>Address:</b> House No. 1098, Sector-13 P, Hisar, Haryana – 125 001, India</p> <p><b>Experience:</b> 38 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b>MBA</p> <p><b>Current Term:</b> For a period of five yearswith effect from March 25, 2022</p> <p><b>Period of Directorship:</b> SinceMarch 25, 2022</p> <p><b>DIN:</b> 09533705</p>	
<p><b>Jaimish Govindbhai Patel</b></p> <p><b>Designation:</b>Independent Director</p> <p><b>Age:</b> 33 years</p> <p><b>Date of Birth:</b> February 05, 1989</p> <p><b>Address:</b> 412-2306, Gujrat Housing Board Nr,Navarang Flat, Bapunagar, Ahmedabad, Gujarat – 380 024, India.</p> <p><b>Experience:</b>8 Years</p> <p><b>Occupation:</b> Employment</p> <p><b>Qualification:</b>Company Secretary</p> <p><b>Current Term:</b> Appointed for a term upto 5 years commencing from June 27, 2022</p> <p><b>Period of Directorship:</b> From June 27, 2022</p> <p><b>DIN:</b> 09647742</p>	Nil

**Brief Profile of Directors:**

**1. Mr. Shankerlal Bansilal Shah** is the Chairman and Whole Time Director of our Company. He has been on the Board since incorporation. He is a visionary entrepreneur and has played a pivotal role in expanding business operations of our Company.He has a work experience of more than 35 years in thismetal industry and has completed his higher secondary from S.B. Kapadia School,

### Baheti Recycling Industries Limited

Ahmedabad. He currently looks after the overall management and administration of the Company Under his guidance, our Company has witnessed continuous growth.

**2. Mr. Balkishan Shankerlal Shah** is the Managing Director of our Company. He has completed his Bachelor of Commerce from Gujarat University in 2008 and post Graduate Program in Management(Family Managed Business) from S.P. Jain Institute of Management and Research, Mumbai in 2010. He has an experience of around 10 years in the metal industry. He currently oversees and controls the production and purchase operations of our Company.

**3. Mr. Yash Shankerbhai Shah** is the Joint Managing Director of our Company. He has completed his Bachelor of Commerce from Ahmedabad University in 2014 and post Graduate Program in Global Family Managed Business from SP Jain School of Global Management in 2016. He has an experience of around 6 years in the metal industry. He currently oversees and controls the marketing and finance operations of our Company.

**4. Ms. Ayushi Yash Shah** is the Non-Executive Director of our Company. She has an experience of over 2 years in the field of finance. She has completed her Master in Business Administration (Finance) from Mohanlal Sukhadia University, Udaipur in 2017.

**5. Mr. Satya Narain Mittal** is the Independent Director of our Company. He has an experience of around 38 years in the field of textiles, metals and healthcare industry. He has completed his Master's in Business Administration from Kurukshetra University, Hisar in 1978.

**6. Mr. Jaimish Govindbhai Patel** is the Independent Director of our Company. He has a work experience of around 8 years in Corporate Laws and Financial Management. He is a Qualified Member of Institute of Company Secretaries of India.

### Confirmations:

As on the date of this Draft Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### **Details of Borrowing Powers of Directors**

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on June 22, 2022 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of

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money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 75 crore (Rupees Seventy Five Crore Only).

### **Compensation of our Managing Director, Joint MD& Whole-time Director**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director, Joint MD& Whole time Director**

#### **1. Mr. Shankerlal Bansilal Shah: Chairman & Whole Time Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 07, 2022 and March 08, 2022 respectively, Mr. Shankerlal Bansilal Shah was appointed as Chairman & Whole Time Director for a period of five years with effect from March 07, 2022 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed Rs. 36,00,000/- per annum.

#### **2. Mr. Balkishan Shankerlal Shah: Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 07, 2022 and March 08, 2022 respectively, Mr. Balkishan Shankerlal Shah was appointed as Managing Director for a period of five years with effect from March 07, 2022 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed Rs. 24,00,000/- per annum.

#### **3. Mr. Yash Shankerbhai Shah: Joint Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 09, 2022 and March 10, 2022 respectively, Mr. Yash Shankerbhai Shah as Joint Managing Director for a period of five years with effect from March 09, 2022 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed Rs. 24,00,000/- per annum.

### **Payments or benefits to Directors**

**The remuneration paid to our Directors in Fiscal 2022 is as follows:**

<b>Name of Director</b>	<b>Remuneration paid in F.Y. 2021-22 (Rs. in lakhs)</b>
Mr. Shankerlal Bansilal Shah	36.00
Mr. Balkishan Shankerlal Shah	15.00
Mr. Yash Shankerbhai Shah*	20.22

*\*The total remuneration paid to Mr. Yash Shankerbhai Shah includes salary given to him in the capacity of Marketing Manager for the period April 01, 2021 to March 09, 2022)*

### **Bonus or Profit Sharing Plan for our Directors:**

We have no bonus or profit sharing plan for our Directors.

### **Sitting Fees:**

## *Baheti Recycling Industries Limited*

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lac to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated July 05, 2022 for payment of an amount not exceeding Rs. 1.00 Lac as approved by the Board to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

### **Shareholding of our Directors as on the date of this Draft Prospectus:-**

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Mr. Shankerlal Bansilal Shah	28,84,000	37.90%
2.	Mr. Balkishan Shankerlal Shah	15,00,000	19.71%
3.	Mr. Yash Shankerbhai Shah	15,00,000	19.71%
4.	Ms. Ayushi Yash Shah	3,31,990	4.36%
	<b>Total</b>	<b>62,15,990</b>	<b>81.68%</b>

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus.*

We do not have Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled ***"Our Management"*** beginning on page 126 of this Draft Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to ***"Statement of Financial Indebtedness"*** on page 180 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section ***"Our Management"*** or the section titled ***"Financial information of the Company –Note W - Related Party Disclosure"*** beginning on page 126 and 174 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### ***Interest in the property of Our Company:***

Except as mentioned hereunder our Promoter do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of this Draft Prospectus.

Sr. No.	Name of Promoter	Address of Property	Interest and nature of interest
1.	Mr. Shankerlal Bansilal Shah	A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India	The said property has been obtained on rent from Mr. Shankerlal Bansilal Shah vide leave and license agreement dated February 04, 2022 for a period of 11 months and 29 days

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			at a rent of Rs. 18,000 p.m. w.e.f. January 01, 2022.
2.	Mr. Yash Shankerbhai Shah	175, Shreenath Ind, Estate, Post- Sampa, Tal. Dehgam, Gandhinagar, Gujarat, 382305	The said property has been purchased by us from Mr. Yash Shankerbhai Shah and Mr. Jamnalal Mangilal Malival vide Sale deed dated June 25, 2021 for a consideration of Rs. 8,00,000/-

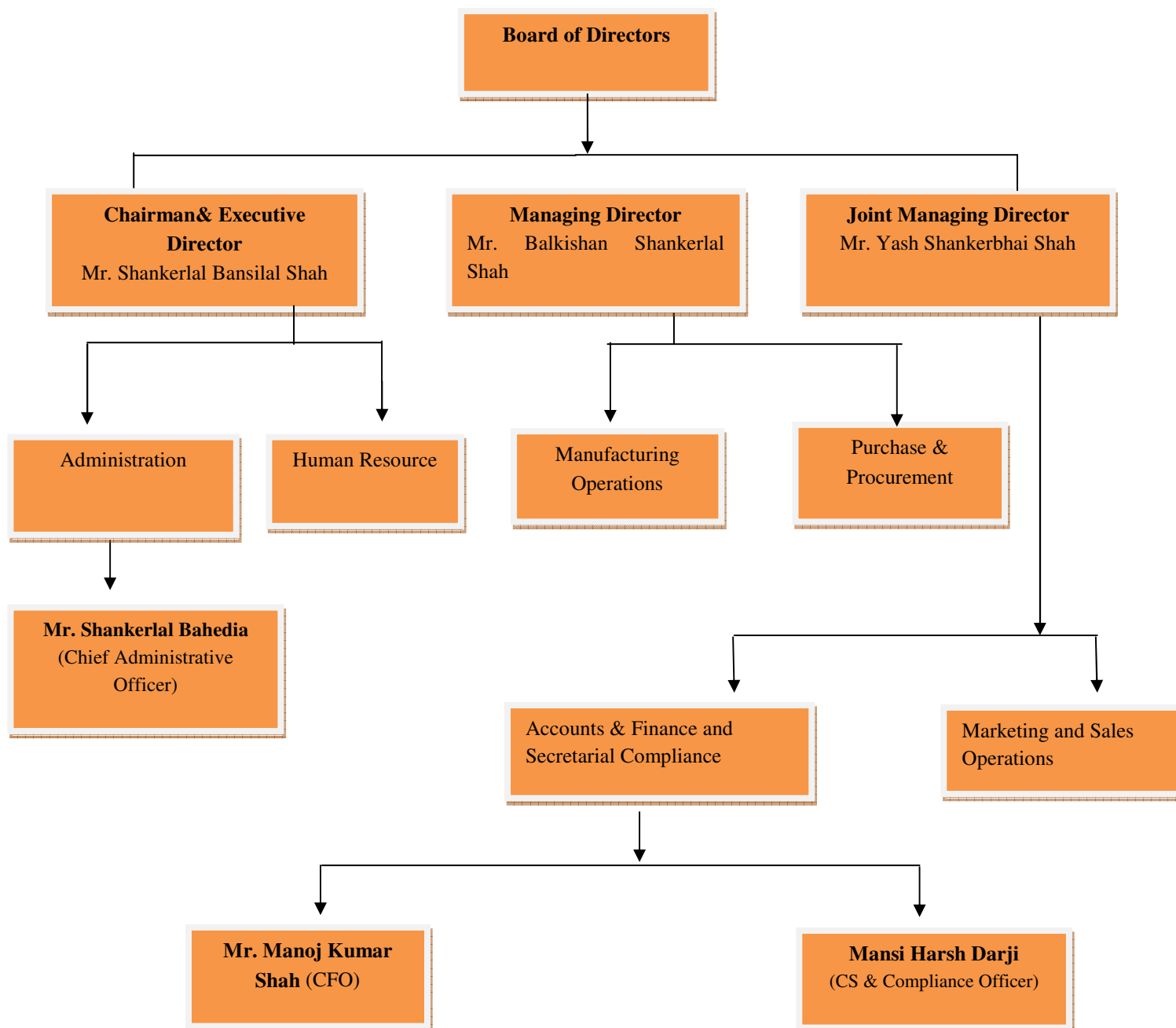
**Changes in Board of Directors in Last 3 Years**

Name	Designation (at the time of appointment/Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Mr. Gopallal Laxminarayan Bangur	Appointment as Additional Independent Director	June 14, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Kushal Maheshwari	Additional Independent Director	June 14, 2019	
Mr. Gopallal Laxminarayan Bangur	Regularized as Independent Director	September 30, 2019	
Mr. Kushal Maheshwari	Regularized as Independent Director	September 30, 2019	
Mr. Shankerlal Bansilal Shah	Reappointed as Managing Director	July 01, 2021	
Mr. Shankerlal Bansilal Shah	Designated as Chairman & Whole Time Director	March 07, 2022	
Mrs. Savita Shankerlal Shah	Resignation from the Directorship	March 07, 2022	Due to personal reason
Mr. Gopallal Laxminarayan Bangur	Resignation as Independent Director	April 20, 2022	Due to personal reason
Mr. Kushal Maheshwari	Resignation as Independent Director	April 20, 2022	Due to personal reason
Mr. Balkishan Shankerlal Shah	Designated as Managing Director	March 07, 2022	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Yash Shankerbhai Shah	Appointed as Additional Director	March 07, 2022	
Mr. Yash Shankerbhai Shah	Regularize as Executive Director	March 08, 2022	
Mr. Yash Shankerbhai Shah	Designated as Joint Managing Director	March 09, 2022	
Ms. Ayushi Shah	Appointed as Additional Director	March 07, 2022	
Ms. Ayushi Shah	Regularized as Non-executive Director	March 08, 2022	
Mr. Satya Narain Mittal	Appointed as Independent Director	March 25, 2022	
Mr. Prithviraj Dhariwal	Appointed as Independent Director	April 08, 2022	
Mr. Prithviraj Dhariwal	Resignation as Independent Director	June 22, 2022	Due to personal reason
Mr. Jaimish Govindbhai Patel	Appointed as Independent	June 27, 2022	To ensure better Corporate Governance and

	Director		compliance with Companies Act, 2013
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### **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure:-



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of NSE (NSE Emerge). The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committees and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has formed an Audit Committee ("Audit Committee"), vide Board Resolution dated July 05, 2022 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 18 of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Satya Narain Mittal	Chairman	Independent Director
Mr. Jaimish Govindbhai Patel	Member	Independent Director
Mr. Shankerlal B. Shah	Member	Chairman & Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit committee shall be called by at least seven days' notice in advance. Any member of the audit committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be the Director shall be ceased to be the member of the audit Committee.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;

5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178(5) and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated July 05, 2022. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Satya Narain Mittal	Chairman	Independent Director
Mr. Shankerlal B. Shah	Member	Chairman & Whole Time Director
Mr. Balkishan S. Shah	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
  - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
  - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee pursuant to Section 178, Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated July 05, 2022. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Ayushi Yash Shah	Chairman	Non-Executive Director
Mr. SatyaNarain Mittal	Member	Independent Director
Mr. JaimishGovindbhai Patel	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration, subject to atleast one meeting in a year. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the nomination and remuneration committee shall be called by at least seven days' notice in advance. The Chairman of the nomination and remuneration committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

#### C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

### KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Remuneration paid for F.Y. ended 2021-22 (in Rs. Lacs)	Overall experience (in years)	Previous employment

<b>Mr. Shankerlal Bansilal Shah</b> <b>Designation:</b> Chairman & Whole Time Director <b>Educational Qualification:</b> Higher Secondary <b>Term of office:</b> 5 years w.e.f. March 07, 2022	56	1994	36	35	Nil
<b>Mr. Balkishan Shankerlal Shah</b> <b>Designation:</b> Managing Director <b>Educational Qualification:</b> B. Com, Post Graduate Programme in Management (Family Managed Business) <b>Term of office:</b> 5 years w.e.f. March 07, 2022	33	2013 (as Employee)	15	10	Nil
<b>Mr. Yash Shankerbhai Shah</b> <b>Designation:</b> Joint Managing Director <b>Educational Qualification:</b> B. Com, Post Graduate Program in Global Family Managed Business <b>Term of office:</b> 5 years w.e.f. March 09, 2022	28	2017 (as Employee)	20.22	6	Nil
<b>Mr. Manoj Kumar Shah</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> M.com <b>Term of office:</b> 5 years w.e.f. March 07, 2022	43	Nov. 2020	11.05	24	Gujarat Apollo Ind. Ltd.
<b>Ms. Mansi Harsh Darji</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification -</b> Company Secretary	27	2022	Nil	1	Shree Electromelts Ltd.

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Mr. Shankerlal Bansilal Shah-** Please refer to section “Brief Profile of our Directors” beginning on page 126 of this Draft Prospectus for details.

**Mr. Balkishan Shankerlal Shah-** Please refer to section “Brief Profile of our Directors” beginning on page 126 of this Draft Prospectus for details.

**Mr. Yash Shankerbhai Shah -** Please refer to section “Brief Profile of our Directors” beginning on page 126 of this Draft Prospectus for details.

**Ms. Mansi Harsh Darji** is the Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary from Institute of Company Secretaries of India. She looks after the overall corporate governance and secretarial matters of our Company.

**Mr. Manoj kumar Shah** is the Chief Financial Officer of our company. He has completed his Master of Commerce from Gujarat University in 2004. He looks after the overall financial matters of our Company.

#### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Shankerlal Bansilal Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerbhai Shah are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2022.

### *Baheti Recycling Industries Limited*

- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:-

Sr. No.	Name of the KMP's	No. of Shares held
1	Mr. Shankerlal Bansilal Shah	28,84,000
2	Mr. Balkishan Shankerlal Shah	15,00,000
3	Mr. Yash Shankerbhai Shah	15,00,000
	<b>Total</b>	<b>58,84,000</b>

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

### **Nature of any family relationship between our Directors and Key Managerial Personnel(KMP)**

The Directors and KMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1.	Mr. Shankerlal Bansilal Shah	Father of Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerbhai Shah; Father in Law of Ms. Ayushi Shah
2.	Mr. Balkishan Shankerlal Shah	Brother of Mr. Yash Shankerbhai Shah and Son of Mr. Shankerlal Bansilal Shah
3.	Mr. Yash Shankerbhai Shah	Brother of Mr. Balkishan Shankerlal Shah and Son of Mr. Shankerlal Bansilal Shah; Husband of Mrs. Ayushi Shah
4.	Mrs. Ayushi Yash Shah	Wife of Mr. Yash Shah and Daughter in law of Mr. Shankerlal B. Shah

### **Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance

### **Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Name	Designation (at the time of appointment/Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Mr. Shankerlal Bansilal	Reappointed as Managing Director	July 01, 2021	To ensure better Corporate

## Baheti Recycling Industries Limited

Shah			Governance and compliance with Companies Act, 2013
Mr. Shankerlal Bansilal Shah	Chairman & Whole Time Director	March 07, 2022	
Mr. Balkishan Shankerlal Shah	Managing Director	March 07, 2022	
Mr. Yash Shankerbhai Shah	Joint Managing Director	March 09, 2022	
Mr. Manoj Kumar Shah	Chief Financial Officer	March 07, 2022	
Ms.Mansi Harsh Darji	Company Secretary & Compliance Officer	June 01, 2022	

### **Interest of Our Key Managerial Persons**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "**Financial information of the Company – Note W - Related Party Disclosures**" beginning on page 174 of this Draft Prospectus.

### **Interest in the property of our Company**

Our KMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with RoC.

### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Loans given/availed by Directors / Key Managerial Personnel of Our Company**

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "**Note W – Related Party Disclosures**" page 174 of this Draft Prospectus.

### **ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, we do not have any ESOP/ESPS Scheme for our employees.


## **OUR PROMOTER & PROMOTER GROUP**

### **Our Promoter:**

The Promoter of our Company is Mr. Shankerlal Bansilal Shah.

As on date of this Draft Prospectus, the Promoter, in aggregate, hold 28,84,000 Equity shares of our Company, representing 37.90% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see *"Capital Structure – History of the Equity Share capital held by our Promoter"*, on page 72 of this Draft Prospectus.

### **Details of our Promoter:**

	<b>Shankerlal Bansilal Shah – Chairman and Whole Time Director</b>	
	<b>Qualification</b>	Higher Secondary
	<b>Age</b>	56 years
	<b>Date of Birth</b>	February 17, 1966
	<b>Address</b>	B. No. 6, Jivraj Nagar Society, Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat – 380004, India
	<b>Experience</b>	35 years
	<b>Occupation</b>	Business
	<b>PAN No.</b>	ACAPS5254Q
	<b>No. of Equity Shares &amp; % of Shareholding (Pre Issue)</b>	28,84,000 Equity Shares aggregating to 37.90% of Pre Issue Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b>  NIL  <b>HUF's</b>  <ul style="list-style-type: none"> <li>Shankerlal Bansilal Shah HUF (Karta)</li> </ul>

For brief biography of our Individual Promoter, please refer to Chapter titled *"Our Management"* beginning on page 126 of this Draft Prospectus.

### **Confirmations/Declarations:**

In relation to our Promoter, our Company confirms that the PAN, bank account number, passport number, Aadhaar card number and driving license number shall be submitted to NSE at the time of filing of this Draft Prospectus.

### **Interest of our Promoter:**

#### ***Interest in promotion and shareholding of Our Company:***

Our Promoter are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by him and his relatives. As on the date of this Draft Prospectus, our Promoter, Mr. Shankerlal Bansilal Shah holds 28,84,000 Equity Shares in our Company i.e. 37.90% of the pre issue paid up Equity Share Capital of our Company. Our

## Baheti Recycling Industries Limited

Promoter may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to Note W – **“Related Party Transactions”** beginning on page 174 of this Draft Prospectus.

For details regarding the shareholding of our Promoter in our Company, please see **“Capital Structure”** on page 55 of this Draft Prospectus.

### ***Interest in the property of Our Company:***

Except as mentioned hereunder our Promoter do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of this Draft Prospectus.

Sr. No.	Name of Promoter	Address of Property	Interest and nature of interest
1.	Mr. Shankerlal Bansilal Shah	A-2/3, L.R. Apartments, Opp. Police Commissioner Office, Shahibaug, Ahmedabad – 380 004, Gujarat, India	The said property has been obtained on rent from Mr. Shankerlal Bansilal Shah vide leave and licence agreement dated February 04, 2022 for a period of 11 months and 29 days at a rent of Rs. 18,000 p.m. w.e.f. January 01, 2022.

### ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our promoter or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

### ***Other Interests in our Company***

For transactions in respect of loans and other monetary transactions entered in past please refer Note W on **“Related Party Transactions”** on page 174 forming part of **“Financial Information of the Company”** of this Draft Prospectus.

Further, our promoter may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoter towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Financial Information of Our Company”** on page 180 and 146 respectively of this Draft Prospectus.

### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph **“Compensation of our Chairman”** in the chapter titled **“Our Management”** beginning on page 126 also refer Note W on **“Related Party Transactions”** on page 174 forming part of **“Financial Information of the Company”** and Paragraph on **“Interest of Promoter”** in chapter titled **“Our Promoter and Promoter Group”** on page 141 of this Draft Prospectus.

### **Companies/Firms with which our Promoter have disassociated in the last (3) three years**

Our promoter has not disassociated himself from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Prospectus.

### **Other ventures of our Promoter**

Save and except as disclosed in this section titled **“Our Promoter & Promoter Group”** beginning on page 141 of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled **“Outstanding Litigations and Material Developments”** beginning on page 193 of this Draft Prospectus.

## **Experience of Promoter in the line of business**

Our Promoter, Mr. Shankerlal Bansilal Shah, have an experience of more than 35 years respectively in the overall administration and Management of organization and having experience of more than 35 years in Metal industry. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

## **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “*Note W - Related Party Transactions*” on page 174 of this Draft Prospectus.

Except as stated in “*Note W - Related Party Transactions*” beginning on page 174 of this draft Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

## **OUR PROMOTER GROUP:**

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter) are as follows:

<b>Relationship with Promoter</b>	<b>Mr. Shankerlal Bansilal Shah</b>
Father	Late Bansilal Shah
Mother	Late Rupaldevi Shah
Spouse	Mrs. Savitaben Shah
Brother	-
Sister	Mrs. Shantaben Maheshwari; Mrs. Ratanben Bangur; Mrs. Vimlaben Somani; Mrs. Chandrikaben Mandowara; Mrs. Sitaben Bhandari; Mrs. Bhavnaben Moondra; Mrs. Varshaben Maheshwari; and Mrs. Jayshreeben Rathi
Son	Mr. Balkishan Shah Mr. Yash Shah
Daughter	-
Spouse's Father	Mr. Sampatraj Modi
Spouse's Mother	Mrs. Shakuntladevi Modi
Spouse's Brother	Mr. Narendra Modi
Spouse's Sister	Mrs. Sunita Birla; Mrs. Sarita Jakhotiya; Mrs. Suchita Tiwari; and Mrs. Sapna Biyani

### **2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

*Baheti Recycling Industries Limited*

S. No.	Nature of Relationship	Entities
1.	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 Promoter or any one or more of his immediate relatives is a member	-
2	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	-
3	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	<b>HUF's</b> Shankerlal Bansilal Shah HUF

**3. Other Persons included in Promoter Group:**

In terms of Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations, 2018, Mrs. Rashmi Balkishan Shah and Mrs. Ayushi Yash Shah are also included in our Promoter Group.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the last three financial years and for the period between March 31, 2022 to the date of the filing of this Draft Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION VI: FINANCIAL INFORMATION OF THE COMPANY****RESTATED FINANCIAL STATEMENTS****INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION**

To,

The Board of Directors,  
Baheti Recycling Industries Ltd.  
(Formerly known as Baheti Metal & Ferro Alloys Ltd.)  
A-2/3, L.R. Apartment,  
Opp. Police Commissioner Office,  
Shahibaug,  
Ahmedabad

Dear Sirs,

1. We have examined the attached Restated Financial Statements of Baheti Recycling Industries Ltd. (Formerly known as Baheti Metal & Ferro Alloys Ltd.) comprising the Restated Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years/period ended March 31, 2022, 2021 and 2020 the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on July 09, 2022 for the purpose of inclusion in the Draft Prospectus/ Prospectus ("Draft Prospectus/Prospectus") prepared by the Company 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) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
1. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft 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 Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
2. We, **M/s Wadhawan & Co.** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds the peer review certificate **dated 19-03-2020** valid till **31.03.2023**. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of the Company;

- b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; 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.
4. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 which has been approved by the Board of Directors. The financial statements of the Company for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 has been audited by us.
5. For the purpose of our examination, we have relied on:
  - a) Auditors' reports issued by us on the financial statements of the Company as at and for the period ended 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 as referred in Paragraph 5 above;
6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
  - a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial years/period ended March 31, 2022, 2021 and 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
  - b) in accordance with the Act, ICDR Regulations and the Guidance Note.
2. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors for the years/period ended March 31, 2022, 2021 and 2020.

**Annexure V - Notes to the Restated Summary Financial Information;**

Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;

- a) Restated Statement of Long Term Borrowings as appearing in Note B to this report;
- b) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(A) to this report;
- c) Statement of terms & conditions of unsecured loans as appearing in Note B(B) to this report;
- d) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
- e) Restated Statement of Long Term Provision as appearing in Note C-1 to this Report;
- f) Restated Statement of Short term borrowings as appearing in Note D to this report;
- g) Restated Statement of Trade Payables as appearing in Note E to this report;
- h) Restated Statement of Other Current Liabilities as appearing in Note F to this report;
- i) Restated Statement of Short Term Provisions as appearing in Note G to this report;
- j) Restated Statement of Fixed Assets as appearing in Note H to this report;
- k) Restated Statement of Trade Receivables as appearing in Note I to this report;
- l) Restated Statement of Cash and Cash Equivalents as appearing in Note J to this report;
- m) Restated Statement of Inventories as appearing in Note K to this report;
- n) Restated Statement of Short term Loans and Advances as appearing in Note L to this report;
- o) Restated Statement of Other Current Assets as appearing in Note M to this report;

- p) Restated Statement of Revenue from Operations as appearing in Note N to this report;
  - q) Restated Statement of Other Income as appearing in Note O to this report;
  - r) Restated Statement of Purchase of Material as appearing in Note P to this report;
  - s) Restated Statement of Change in Inventories as appearing in Note Q to this report;
  - t) Restated Statement of Employee Benefit Expenses as appearing in Note R to this report;
  - u) Restated Statement of Finance Cost as appearing in Note S to this report;
  - v) Restated Statement of Depreciation & Amortization as appearing in Note T to this report ;
  - w) Restated Statement of Other Expenses as appearing in Note U& UA to this report;
  - x) Restated Statement of Contingent Liabilities as appearing in Note V to this report ;
  - y) Restated Statement of Related Party Transactions as appearing in Note W to this report ;
  - z) Restated Statement of Tax Shelter as appearing in Note X to this report ;
  - aa) Capitalization Statement as appearing in Note Y to this report;
  - bb) Restated Statement of Mandatory Accounting Ratios as appearing in Note Z to this report;
  - cc) Ratio Analysis as appearing in note ZA to this report.
7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
8. 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.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. 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.
11. In our opinion, the above financial information contained in Annexure I to Annexure V of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For M/s Wadhawan and Co.**

**Chartered Accountants**

**FRN : 0129455W**

**Sd/-**

**Ajit A. Wadhawan**

**Partner**

**M. No. 032886**

**Place :Ahmedabad**

**Date :12/07/2022**

**UDIN:22032886AMRWYR2110**

**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Lakhs)

PARTICULARS		Notes	As at the Year/Period ended		
			31/03/2022	31/03/2021	31/03/2020
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1.</b>	<b><u>Shareholders' Funds</u></b>				
(a)	Share Capital	A	456.51	375.00	375.00
(b)	Reserves & Surplus	A	1,213.00	706.02	658.23
(c)	Share Application Money			-	-
			<b>1,669.51</b>	<b>1,081.02</b>	<b>1,033.23</b>
<b>2.</b>	<b><u>Non-Current Liabilities</u></b>				
(a)	Long Term Borrowings	B	565.74	748.91	188.65
(b)	Deferred Tax Liabilities (Net)	C	62.60	62.58	58.21
(c)	Long Term Provisions	C-1	7.29	7.92	8.98
			<b>635.62</b>	<b>819.42</b>	<b>255.83</b>
<b>3.</b>	<b><u>Current Liabilities</u></b>				
(a)	Short Term Borrowings	D	<b>4,476.34</b>	<b>3,009.85</b>	<b>2,918.84</b>
(b)	Trade Payables	E		-	-
	(A) outstanding dues of MSME			-	-
	(B) Total outstanding dues of creditors other than MSME.		1,051.31	970.86	191.54
(c)	Other Current Liabilities	F	228.79	388.87	98.71
(d)	Short Term Provisions	G	128.80	30.96	36.91
			<b>5,885.25</b>	<b>4,400.55</b>	<b>3,246.01</b>
	<b>Total</b>		<b>8,190.39</b>	<b>6,301.00</b>	<b>4,535.09</b>
<b>B)</b>	<b><u>ASSETS</u></b>				
<b>1.</b>	<b><u>Non - Current Assets</u></b>				
(a)	Property, Plant and Equipment and Intangible assets	H			
	I) Property, Plant and Equipment				
	(i) Gross Block		1,303.09	1,237.88	1,135.33
	(ii) Depreciation		591.58	516.70	502.29
	(iii) Net Block		711.51	721.18	633.04
	II) Intangible Assets			-	-
	III) Capital Work-in-Progress			-	-
	IV) Intangible assets under development			-	-
			<b>711.51</b>	<b>721.18</b>	<b>633.04</b>
(b)	Non-Current Investment			-	-
(c)	Deferred Tax Assets (Net)			-	-
(d)	Long Term Loans and Advances			-	-
(e)	Other Non-Current Assets			-	-
<b>2.</b>	<b><u>Current Assets</u></b>				
(a)	Trade Receivables	I	3,817.29	2,550.08	2,143.94
(b)	Cash and Cash equivalents	J	37.69	24.84	22.25
(c)	Inventories	K	3,084.75	2,333.04	1,494.18
(d)	Short-Term Loans and Advances	L	490.14	665.94	237.11
(e)	Other Current Assets	M	49.01	5.92	4.56
			<b>7,478.88</b>	<b>5,579.83</b>	<b>3,902.04</b>
	<b>Total</b>		<b>8,190.39</b>	<b>6,301.00</b>	<b>4,535.09</b>

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. In Lakhs)

PARTICULARS		Note	For the Year/ period ended		
			31/03/2022	31/03/2021	31/03/2020
<b>1</b>	<b>Revenue From Operations</b>	N	24,839.76	12,748.33	10,575.75
<b>2</b>	<b>Other Income</b>	O	86.30	31.69	20.09
	<b>Total Income (1+2)</b>		<b>24,926.06</b>	<b>12,780.02</b>	<b>10,595.84</b>
<b>3</b>	<b>Expenditure</b>				
(a)	Raw Material Consumption	P	22,099.14	11,231.94	9,035.48
(b)	Change in inventories of finished goods, work in progress and stock in trade	Q	48.95	(263.66)	51.30
(c)	Employee Benefit Expenses	R	852.36	614.85	580.00
(d)	Finance Cost	S	348.95	312.02	288.49
(e)	Depreciation and Amortisation Expenses	T	74.88	64.58	59.02
(f)	Other Expenses	U & UA	1,096.15	744.94	553.57
<b>4</b>	<b>Total Expenditure 3(a) to 3(f)</b>		<b>24,520.41</b>	<b>12,704.68</b>	<b>10,567.86</b>
<b>5</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (2-4)</b>		405.65	75.34	27.99
<b>6</b>	<b>Exceptional and Extra-ordinary items</b>		-	-	-
<b>7</b>	<b>Profit/(Loss) Before Tax (5-6)</b>		<b>405.65</b>	<b>75.34</b>	<b>27.99</b>
<b>8</b>	<b>Tax Expense:</b>				
(a)	Tax Expense for Current Year		115.48	18.31	3.09
(b)	Short/(Excess) Provision of Earlier Year		(1.82)	4.87	0.15
(c)	Deferred Tax		0.01	4.38	5.56
	<b>Net Current Tax Expenses</b>		<b>113.67</b>	<b>27.56</b>	<b>8.80</b>
<b>9</b>	<b>Profit/(Loss) for the Year (7-8)</b>		<b>291.98</b>	<b>47.78</b>	<b>19.19</b>

**ANNEXURE – III**  
**RESTATED CASH FLOW STATEMENT**

(Rs. In Lakhs)

PARTICULARS		FOR THE YEAR ENDED		
		31/03/2022	31/03/2021	31/03/2020
<b>A</b>	<b>Cash Flow From Operating Activities:</b>			
	Net Profit Before Tax	405.65	75.34	27.99
	Add:-			
	Finance Cost	348.95	295.88	288.49
	Depreciation	74.88	64.58	59.02
	Provision for Gratuity	0.52	-2.05	2.24
	Less:-			
	Short/ Excess Provision Written Off	1.82	-4.87	-0.15
	Profit On Sale Of Car		-1.18	
	Interest Received	-14.04	-2.29	-0.21
	<b>Operating Profit Before Working Capital Changes</b>	<b>817.78</b>	<b>425.4</b>	<b>377.38</b>
	Add/Less Adjustments For			
	Inventories	-751.71	-838.87	435.54
	Trade And Other Receivables	-1,267.21	-406.13	-545.58
	Other Current Assets	-43.08	-1.36	-0.70
	Trade Payables	80.45	779.32	-203.83
	Other Current Liabilities	-160.08	290.16	88.85
	Short Term Provisions	96.70	(4.97)	(2.97)
	Short Term Borrowings	1,466.49	91.01	301.63
	Short Term Loan & Advances	175.80	-428.83	109.13
	<b>Operating Profit After Working Capital Changes</b>	<b>415.13</b>	<b>-94.26</b>	<b>559.45</b>
	Less:- Taxes Paid	-115.48	-18.31	-3.09
	<b>Net Cash Flow From Operating Activities</b>	<b>299.64</b>	<b>-112.57</b>	<b>556.36</b>
<b>B</b>	<b>Cash Flow From Investing Activities :</b>			
	Purchase Of Fixed Assets	-65.33	-163.56	-111.96
	Sale Of Fixed Assets	0.11	12.01	0
	Increase In Reserves In Case Of Merger	215.01		
	Interest Received	14.04	2.29	0.21
	<b>Net Cash Used In Investing Activities</b>	<b>163.83</b>	<b>-149.26</b>	<b>-111.75</b>
<b>C</b>	<b>Cash Flow From Financing Activities :</b>			
	Proceeds From Long Term Borrowings	-183.18	560.27	-152.72
	Finance Cost	-348.95	-295.88	-288.49
	Issue Of Share Capital Pursuant To Merger	81.51	0	0
	<b>Net Cash Used In Financing Activities</b>	<b>-450.61</b>	<b>264.39</b>	<b>-441.21</b>
	<b>Net Increase In Cash And Cash Equivalents</b>	<b>12.86</b>	<b>2.56</b>	<b>3.40</b>
	Opening Balance Of Cash And Cash Equivalents	<b>24.83</b>	<b>22.25</b>	<b>18.65</b>
	Closing Balance Of Cash And Cash Equivalents	<b>37.69</b>	<b>24.83</b>	<b>22.05</b>
	<b>Components Of Cash And Cash Equivalents</b>			
	Cash On Hand	5.36	1.57	0.6
	Balances With Banks	32.32	23.26	21.65
	<b>Total</b>	<b>37.69</b>	<b>24.83</b>	<b>22.25</b>

## ANNEXURE – IV

### SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION

#### COMPANY OVERVIEW

Baheti Recycling Industries Ltd [Formerly known as Baheti Metal and Ferro Alloys Ltd](the “**Company**”) was incorporated on December 28, 1994 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Company’s registered office is situated at A-2/3, L.R. Apartment, Opp. Police Commissioner Office, Shahibaug, Ahmedabad. The company is primarily involved in processing aluminium based metal scrap to manufacture (i) aluminium alloys in the form of ingots and (ii) aluminium de-ox alloys in the form of cubes, ingots, shots and notch bar.

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at March 31, 2022, 2021, and 2020, the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the for the years ended March 31, 2022, 2021, and 2020 (hereinafter collectively referred to as “**Restated Financial Information**”) have been extracted by the management from the audited financial statements for the March 31, 2022, 2021, and 2020 approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

##### B) USE OF ESTIMATES

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### C) ACCOUNTING CONVENTION

The group follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

#### 1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### i) Sale of goods

## *Baheti Recycling Industries Limited*

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Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

### **ii) Income from services**

Revenue from services is recognized when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

### **iii) Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

### **iv) Dividend Income**

Dividend Income is recognized on receipt basis.

## **2. Fixed Assets**

- a) Fixed Assets are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Fixed Assets are ready for use, as intended by the management;
- c) Subsequent expenditures relating to fixed assets are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on Tangible Assets in case of company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on SLM basis as per the useful life prescribed under Schedule II to the Companies Act 2013.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

## **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. However, there is no such kind of Fixed Asset in the company which require impairment.

## **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

- a) Raw Materials, Stores & Spare parts and Packing Material are valued at cost. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First Out Basis.
- b) The Closing Stock of WIP is normally valued at cost. However, there is no WIP.

- c) The Closing Stock of finished goods has been valued at cost.

## **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

- a) **Gratuity**- The company is maintaining provision for Gratuity. Gratuity is paid as per the policy of company.
- b) **Provident Fund**- Entity is regularly collecting and depositing Provident Fund amount as prescribed by applicable Law & Regulation.
- c) Leave Encashment as well as bonus is paid as per the policy of company.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

- i. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transactions.
- ii Monetary Items are denominated in foreign currencies at the period end are not restated at year end rates.
- iii Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the statement of profit and loss account.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **10. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **11. PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## 13. SEGMENT REPORTING

Company is operating under a single segment

## 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

(Rs. In Lakhs)

Particulars	2021-22	2020-21	2019-2020
<b>Provision for Gratuity</b>	7.29	7.92	8.98

(Rs. In Lakhs)

Details of Gratuity Expenses	2021-22	2020-21	2019-20
<b>Reconciliation of net defined benefit liability</b>			
Net opening provision in books of accounts	15.07	17.13	14.89
Transfer in/(out) obligation		-	-
Transfer (in)/out plan assets		-	-
Employee Benefit Expense	.52	3.45	4.08
Benefits Paid by the Company	-	(5.50)	(1.84)
Contributions to plan assets			
<b>Closing provision in books of accounts</b>	<b>15.59</b>	<b>15.07</b>	<b>17.13</b>
<b>Bifurcation of liability</b>			
Current Liability	8.31	7.15	8.15
Non-Current Liability	7.28	7.91	8.97
<b>Net Liability</b>	<b>15.59</b>	<b>15.06</b>	<b>17.12</b>
<b>Principle actuarial assumptions</b>			
Discount Rate	4.8%p.a	4.10%p.a	5.40%p.a
Expected Return on Plan Assets	-	-	-
Salary Escalation Rate	2.00%p.a	2.00%p.a	2.00%p.a
Withdrawal Rates	40.00% p.a at all age	40.00% p.a at all age	2.00%p.a
Expected Return on Plan Assets	-	-	-

## NOTES TO RESTATED SUMMARY STATEMENTS:

The financial statements for the year ended on 31 March 2022, 2021 and 2020 respectively are prepared as per Schedule III of the Companies Act, 2013: -

### 1. Contingent liabilities and commitments

A disclosure for a contingent liability is usually reported in the notes to restated financial statements when there is a possible obligation that may, require an outflow of the Company's resources.

We have been informed by the management that a civil suit No. WC FATAL LC/000007/2020 dated 07-02-2020 has been filed against the company by making it one of the party under workers Compensation Act, 1923 by father of an employee of the contractor of the company claiming compensation of Rs.1177000/- on account of death of his son while rendering services to the company.

### 2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act, 2013.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note W of the enclosed restated financial statements.

4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is mentioned in Note C in the enclosed restated financial statements.

### 5. Directors Remuneration

(Rs. in lacs)

Particulars	For the Year Ended		
	2021-22	2020-21	2019-20
Directors' Remuneration (including sitting fees)	51.00	43.00	42.00
<b>Total</b>	<b>51.00</b>	<b>43.00</b>	<b>42.00</b>

### 6. Auditors' Remuneration:

(Rs. in lacs)

Particulars	For the Year Ended		
	2021-22	2020-21	2019-20
a. As Auditors			
Statutory & Tax Audit Fees	0.19	2.00	2.77
<b>Total</b>	<b>0.19</b>	<b>2.00</b>	<b>2.77</b>

### 7. Earnings per Share:

(Amt. Rs. in Lacs, except EPS)

Particulars	For the Year Ended		
	2021-22	2020-21	2019-20
A. Total Number of equity shares outstanding at the end of the year (in lacs)	4,565,118	3,750,000	3,750,000
B. Weighted average number of equity shares outstanding during the year (in lacs)	7,608,530	6,250,000	6,250,000
C. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	291.98	47.78	19.19
D. Basic and Diluted earnings per share (Rs.) (Based on Actual)	6.40	1.27	0.51

*Baheti Recycling Industries Limited*

Number of Shares)			
E. Basic and Diluted earnings per share (Rs.) (Based on Weighted Number of Shares)	3.84	0.76	0.31

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good.

### 11. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

### 12. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### 13. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

### 14. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor's Report for F.Y.2021-22, 2020-21 and 2019-2020 which requires adjustments in restated financial statements.

### 15. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements is presented here below:

### RECONCILIATION OF RESTATED PROFIT:

(Rs. in Lakhs)			
Adjustments for	2021-22	2020-21	2019-20
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	292.96	48.78	20.60
<b>Adjustments for:</b>			
Provision for gratuity	-	2.05	(2.24)
Short/excess Provision of deferred tax	(0.98)	0.16	1.06
Short/excess Provision of tax	-	(2.89)	(0.23)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>291.98</b>	<b>47.78</b>	<b>19.19</b>

1. The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits

2. Provision for Taxation has been adjusted for Income Tax which has been calculated after taking the impact of provision for gratuity, and short/excess provision, if any, related to earlier years.

*Baheti Recycling Industries Limited*

3. The DTA/DTL has been re-calculated considering the provision for gratuity.

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below: -

**RECONCILIATION OF EQUITY AND RESERVES:**

	<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Equity and Reserves as per Audited Balance sheet</b>	1672.71	1098.31	1049.53
<b>Adjustments for:</b>			
Provision for gratuity	0.19	(14.89)	(14.89)
Cumulative impact of P&L Adjustments (as mentioned in "Reconciliation of Restated Profit table")	(3.39)	(2.41)	(1.41)
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>1,669.51</b>	<b>1,081.02</b>	<b>1,033.23</b>

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**For Wadhawan & Co.**

*Chartered Accountants*

Firm Registration no: 129455W

Sd/-

Ajit A Wadhawan

Membership No.: 032886

Date:12/07/2022

Place: Ahmedabad

UDIN:22032886AMRWYR2110

**NOTE - A**  
**RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in Rs. Lakhs, Except Share Data)

Particulars	FOR THE YEAR ENDED		
	31/03/2022	31/03/2022	31/03/2022
<b>Share Capital</b>			
<b>Authorised Share Capital</b>			
Equity shares of Rs.10 each	10,50,00,000	40,00,000	40,00,000
Equity Share Capital	1,05,00,000.00	400.00	400.00
<b>Issued, Subscribed and Paid up Share Capital</b>			
Equity Shares of Rs. 10 each fully paid up	45,65,118	37,50,000	37,50,000
Share Capital (in Rs.)	456.51	375.00	375.00
<b>Total</b>	<b>456.51</b>	<b>375.00</b>	<b>375.00</b>
<b>Reserves and Surplus</b>			
Securities Premium	-	-	-
<b>Surplus in Profit and Loss account</b>			
Balance as per the last financial statements	706.02	658.23	653.94
Net Reserve and Surplus pursuant to Amalgamation	215.01		
Profit for the Year	291.98	47.78	19.19
Less: Provision for Gratuity		-	(14.89)
Less: Issue of Bonus Shares		-	-
Less: Prior Period Tax			
<b>Balance as at the end of Financial Year</b>	<b>1,213.00</b>	<b>706.02</b>	<b>658.23</b>

**Notes:**

1. Terms/rights attached to equity shares:

a. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

b. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The reconciliation of the number of Equity shares outstanding as at: -

Particulars	As at		
	31/03/2022	31/03/2021	31/03/2020
Number of shares at the beginning	37,50,000	37,50,000	37,50,000
Add: Shares issued pursuant to merger of Yash Metals Pvt. Ltd. with Company.	15,00,000	-	-

*Baheti Recycling Industries Limited*

Less: Cancellation of Inter Company Investment on account of merger.	(6,84,882)	-	-
Number of shares at the end	45,65,118	37,50,000	37,50,000

5. The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	As at (No. of Shares)		
	31/03/2022	31/03/2021	31/03/2020
Shankerlal B Shah	30,22,759	21,36,259	21,36,259
Savitaben S Shah	4,62,692	2,89,907	2,89,907
Yash Metal Pvt Ltd	-	6,84,882	6,84,882
Balkishan S Shah	3,99,822	2,45,909	2,45,909
Yash Shah	2,96,948	97,448	97,448

**NOTE – B**  
**RESTATED STATEMENT OF LONG TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
<b>(Secured)</b>			
<b>Term loans</b>			
Axis Bank(Kia Car Loan)	4.38	8.48	
HDFC Car Loan(Mercedes GLE)	41.03	55.39	
Kotak Mahindra Bank(secured against personal building of Director)	175.55	257.05	187.05
Emergency Credit Line Guarantee Scheme (ECLGS)	344.78	428.00	
Axis Bank (Honda Jazz Car)			1.59
<b>Total</b>	<b>565.74</b>	<b>748.91</b>	<b>188.65</b>

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B)

**NOTE B (a)**  
**RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**  
(Amt. Rs. in lacs)

Name of Lender	Purpose	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on 31.03.2022 as per Books (In Lakhs)	Outstanding amount as on 31.03.2021 as per Books (In Lakhs)
Axis Bank Ltd.	Working Capital Loan	2000	6.75%	SEE NOTE 1	-	2,000.00	2,000.00
Axis Bank CC A/c	Cash Credit	2600	7.00%		-	609.74	521.39
Axis Bank Ltd. (ECLGS)	Working Capital Term Loan	428	7.80%		Monthly EMI of Rs.1188889/- Starting from September-21 to July-24	344.78	428.00

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Axis Bank (TOD A/c)	TOD	200	8.00%			200.00	~
Axis Bank EPC Loan	EPC	400	7.05%			300.00	
Kotak Mahindra Bank Ltd	Loan Against Property	215	8.85%	SEE NOTE 2		191.85	
Axis Bank PCFC Loan	Export Credit Limit	300	Repo Rate + 2.90% i.e. 6.90% p.a. Libor + 200 BPS	SEE NOTE 1	-	300.00	-
HDFC Bank (Mercedes)	Car Loan	70.75	7.65%	Hypothecation of Vehicle	Monthly EMI of Rs.143273/- Starting from November-20 to October-25	53.36	65.83
Axis Bank (Jazz)	Car Loan	9.04	9.01%	Hypothecation of Vehicle	Monthly EMI of Rs.28075/- Starting from September-18 to September-21	-	1.59
Axis Bank (KIA)	Car Loan	12.3	1 Year MLCR 7.4 p.a.+ Spread 0.21 p.a.=7.61% p.a.	Hypothecation of Vehicle	Monthly EMI of Rs.38323/- Starting from April-21 to March-24	8.48	12.30
<b>TOTAL</b>						<b>4,008.21</b>	<b>3,029.11</b>

**Note 1 Axis Bank Limited**

**Security:** Following are the securities that been created by our company to secure the borrowing facilities:

**Primary: -**

First charge by way of hypothecation over entire current assets of the Company (present and future)

For LCBD – Documents of title to goods duly endorsed in favour of the bank after confirmation of payment from Bank

**Collateral: -**

- Equitable Mortgage over Factory Land & building situated at Block No. at 176P, 197 & 198, Shrinath Industrial Estate, Village Sampa, Dehgam, Gandhinagar.

- Hypothecation of Plant & Machinery (excluding vehicles financed by other bank)

**Personal Guarantee:**

Mr. Shankerlal B. Shah, Mrs. Savita S Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerlal Shah

Declaration/Undertaking stating that 11.25 lakhs shares of the Promoters shall not be sold to any party without prior written consent of the Axis Bank.

## Note 2 KOTAK MAHINDRA BANK

**Security:** Residential Property at Bungalow #1 and 2, Jayeshwar CHSL, Opp. Bhandari Saree, Shahibaug, Ahmedabad, owned by Mr. Shankerlal B. Shah.

**Personal Guarantee:** Mr. Shankerlal B. Shah, Mrs. Savita S Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerlal Shah

### Pre-payment penalty

- No Pre payment {Foreclosure is allowed till the lapse of Lock-in-period of 6 months after EM commencement.
- After the Lock-in-period, Part Prepayment of minimum Rs. 25,000/- and maximum up to 25% of outstanding Loan Amount can be made without any Prepayment Charges every 6 months. The minimum period between any two prepayments shall be at least 6(six) months.
- For any Part Prepayment in excess of 25%, 4% (Plus GST and other applicable taxes) of the excess prepayment Amount will be charged as Prepayment charges.
- For Full Prepayment any time after the Lock-in-period, Prepayment Charges shall be 4% (plus GST and other applicable taxes) of the Foreclosure Loan Amount plus, Amount prepaid during the last 12 months."

## NOTE B(B) STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

(Amt. Rs. in Lacs)

Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	31-03-2022	31-03-2021
Balkishan Shankarlal Shah	Business Loan	12%	Repayable on Demand	140.73	128.01
Savitaben S shah	Business Loan	12%	Repayable on Demand	81.02	15.12
Shankerlal B Shah	Business Loan	12%	Repayable on Demand	249.00	345.33
<b>GRAND TOTAL</b>				<b>470.75</b>	<b>488.47</b>

## NOTE- C RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt. Rs. in Lacs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
<b>Opening Balance (A)</b>			
Opening Balance of Deferred Tax (Asset) / Liability	62.58	58.21	52.65
<b>Closing Balances (B)</b>			
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	62.74	63.48	59.27
(DTA) / DTL on account of gratuity provision	(0.15)	(0.90)	(1.06)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	62.60	62.58	58.21
<b>Current Year Provision (B-A)</b>	0.01	4.38	5.56

## NOTE-C1 RESTATED STATEMENT OF LONG TERM PROVISION

(Amt. Rs. in Lacs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020

<b>Long Term Provisions</b>			
Provision for Gratuity	7.29	7.92	8.98
<b>Total</b>	<b>7.29</b>	<b>7.92</b>	<b>8.98</b>

**NOTE – D**  
**RESTATED STATEMENT OF SHORT TERM BORROWINGS**

(Amt. Rs. in Lacs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
<b>(a) Loan Repayable on Demand</b>			
From Banks			
Axis Bank CC	609.73	521.39	2,346.32
Axis Bank- TOD	200.00		
Axis Bank EPC loan-921080020467757	300.00		
WCDL A/c	2,000.00	2,000.00	
Axis Bank ( TATA DISCOUNTING)	895.87		
<b>Subtotal (a)</b>	<b>4,005.60</b>	<b>2,521.39</b>	<b>2,346.32</b>
<b>(b) Unsecured</b>			
Loan from Directors	470.75	488.47	572.52
<b>Sub Total (b)</b>	<b>470.75</b>	<b>488.47</b>	<b>572.52</b>
<b>Total (a+b)</b>	<b>4,476.34</b>	<b>3,009.85</b>	<b>2,918.84</b>

Note :

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B)

**NOTE – E**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(Rs. in Lakhs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
Trade Payables			
Micro, Small and Medium Enterprises	-	-	-
Other than Micro, Small and Medium Enterprises	1,051.31	970.86	191.54
<b>Total</b>	<b>1,051.31</b>	<b>970.86</b>	<b>191.54</b>

**Trade Payables ageing schedule as on March 31, 2022**

Particulars	outstanding for following periods from due date of payment/transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME					
(ii) Undisputed Others	1,049.77	0.91	0.57	0.07	1051.31
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					
<b>Total</b>				-	

	-	-	-		-
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Notes:

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**NOTE – F**  
**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Rs. in Lakhs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
<b>Other Current Liabilities</b>			
<b>Secured (Payable within 12 months)</b>			
HDFC Car Loan(Toyota Fortuner)			7.34
Axis Bank(Ciaz Car Loan)			0.99
Axis Bank (Honda Jazz Car)		1.59	3.07
HDFC Bank (Mercedes Benz Car)	12.33	10.44	
Axis Bank (KIA Car)	4.09	3.82	
Kotak Bank ( Term Loan)	16.31	14.98	-
Advanced From Customers			
Unsecured and considered Good	175.52	344.70	80.00
<b>Duties and Taxes</b>			
TDS Payable	11.76	11.47	6.67
Other Payable			
GTA Payable	5.92	1.71	0.63
Staff Security Deposit	0.11	0.15	
TCS Receivable	0.09		
TCS Payable	2.65		
<b>Total</b>	<b>228.79</b>	<b>388.87</b>	<b>98.71</b>

**NOTE – G**  
**RESTATED STATEMENT OF SHORT TERM PROVISIONS**

(Rs. in Lakhs)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
<b>Short Term Provisions</b>			
Provision For Expense		-	-
Provision for Income Tax	118.12	21.40	26.74
Provision for Gratuity	8.31	7.16	8.15
Provision for PF	2.37	2.40	2.02
Provision for Clearing & Forwarding Exp			
Provision for Audit Fees			
<b>Total</b>	<b>128.80</b>	<b>30.96</b>	<b>36.91</b>

**NOTE-H**  
**RESTATED STATEMENT OF FIXED ASSETS**

FY 2019-20

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-19	Additions during the year	Deletions during the year	As at 31-Mar-20	Upto 01-Apr-19	During the year	Deletion during the yr	Total upto 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
<b><u>Property, Plant and Equipment</u></b>										
Land	4.65			4.65					4.65	4.65
Factory Buliding	265.01	63.04		328.05	133.37	9.75		143.11	184.93	131.64
Non-Factory Buliding										
Administrative Building	66.26			66.26	23.75	2.10		25.85	40.41	42.51
Residential Building	1.73			1.73	0.69	0.05		0.74	0.98	1.04
Tube Well	2.14			2.14	0.81	0.41		1.22	0.93	1.33
Computer	12.43	0.20		12.63	11.48	0.51		12.00	0.63	0.95
Plant & Machinery	495.74	47.86		543.60	180.51	33.60		214.11	329.48	315.23
Furniture & Fixture	9.14			9.14	7.03	0.87		7.90	1.24	2.11
Mobile Instrument	6.77			6.77	1.59	1.29		2.88	3.89	5.18
Software and Monitor										
Air Conditioner	11.77	0.49		12.26	4.36	1.15		5.52	6.74	7.40
CCTV	2.64	0.31		2.94	0.04	0.52		0.56	2.39	2.60
Vehicle	129.06			129.06	72.60	7.76		80.36	48.70	56.46
SCALE Machine	16.04	0.07		16.11	7.03	1.02		8.05	8.07	9.01
<b><u>Stripping Machine</u></b>										
Intangible Asset										
Trade Mark										
<b>Total</b>	<b>1,023.37</b>	<b>111.96</b>	<b>-</b>	<b>1,135.33</b>	<b>443.27</b>	<b>59.02</b>	<b>-</b>	<b>502.29</b>	<b>633.04</b>	<b>580.10</b>
<i>Previous Year</i>	<i>863.13</i>	<i>165.85</i>	<i>5.61</i>	<i>1,023.37</i>	<i>407.89</i>	<i>39.46</i>	<i>4.08</i>	<i>443.27</i>	<i>580.10</i>	<i>465.02</i>

F.Y. 2020-21

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-20	Additions during the year	Deletions during the year	As at 31-Mar-21	Upto 01-Apr-20	During the Period	Deletion During the period	Total upto 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
<b><u>Property, Plant and Equipment</u></b>										
Land	4.65			4.65					4.65	4.65
Factory Buliding	328.05	21.49		349.54	143.11	10.58		153.69	195.84	184.93
Non-Factory Buliding										
Administrative Building	66.26			66.26	25.85	2.10		27.95	38.31	40.41
Residential Building	1.73			1.73	0.74	0.05		0.80	0.93	0.98
Tube Well	2.14			2.14	1.22	0.41		1.62	0.52	0.93
Computer	12.63	0.21		12.84	12.00			12.00	0.85	0.63
Plant & Machinery	543.60	37.23		580.83	214.11	34.42		248.53	332.30	329.48
Furniture & Fixture	9.14	1.03		10.17	7.90	0.93		8.83	1.34	1.24
Mobile Instrument	6.77	2.29		9.05	2.88	1.55		4.43	4.62	3.89
Software and Monitor										
Air Conditioner	12.26	3.25		15.50	5.52	1.33		6.85	8.66	6.74
CCTV	2.94			2.94	0.56	0.56		1.12	1.83	2.39
Vehicle	129.06	98.06	61.01	166.11	80.36	11.63	50.18	41.81	124.30	48.70
SCALE Machine	16.11			16.11	8.05	1.02		9.07	7.05	8.07
<b><u>Stripping Machine</u></b>										
<b><u>Intangible Asset</u></b>										
<b><u>Trade Mark</u></b>										
<b>Total</b>	<b>1,135.33</b>	<b>163.56</b>	<b>61.01</b>	<b>1,237.88</b>	<b>502.29</b>	<b>64.58</b>	<b>50.18</b>	<b>516.70</b>	<b>721.18</b>	<b>633.04</b>
<b>Previous Year</b>	<b>1,023.37</b>	<b>111.96</b>	<b>-</b>	<b>1,135.33</b>	<b>443.27</b>	<b>59.02</b>	<b>-</b>	<b>502.29</b>	<b>633.04</b>	<b>580.10</b>

F.Y. 2021-22

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-21	Additions during the year	Deletions during the year	As at 31-Mar-22	Upto 01-Apr-21	During the Period	Deletion During the period	Total upto 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
<b><u>Property, Plant and Equipment</u></b>										
Land	4.65	8.39		13.04					13.04	4.65
Land -Yash Metals	-	26.11		26.11					26.11	-
Factory Buliding	349.54	8.44		357.98	153.69	11.23		164.92	193.06	195.84
Boundary Wall- Yash Metals		2.49		2.49	-			-	2.49	-
Non-Factory Buliding										
Administrative Building	66.26			66.26	27.95	2.10		30.05	36.21	38.31
Residential Building	1.73			1.73	0.80	0.05		0.85	0.87	0.93
Tube Well	2.14			2.14	1.62	0.41		2.03	0.11	0.52
Computer	13.28	1.53		14.82	12.29	1.20		13.49	1.32	0.85
Plant & Machinery 1	517.59	8.12		525.71	238.12	29.59		267.71	258.00	332.30
Plant & Machinery 2	67.07			67.07	11.00	5.21		16.21		
Furniture & Fixture	10.17	3.34		13.51	8.83	1.16		9.99	3.52	1.34
Mobile Instrutment	9.05	1.38		10.43	4.43	1.80		6.24	4.20	4.62
Software and Moniter										
Air Conditioner	15.50	0.35		15.85	6.85	1.50		8.35	7.50	8.66
CCTV	3.33	3.11		6.44	1.38	0.87		2.25	4.19	1.83
Vehicle	166.11	1.90	0.11	167.90	41.83	17.78	0.00	59.61	108.29	124.30
Xerox Machine	1.29	-		1.29	1.04	0.25		1.28	0.01	7.05
<b>Office Equipment</b>	7.41	0.17		7.58	5.87	1.30		7.18	0.40	-
<b>Other Assets</b>	2.74			2.74	1.01	0.42		1.43	1.31	-
<b><u>Intangible Asset</u></b>										
<b><u>Trade Mark</u></b>										

*Baheti Recycling Industries Limited*

<b>Total</b>	<b>1,237.87</b>	<b>65.33</b>	<b>0.11</b>	<b>1,303.09</b>	<b>516.71</b>	<b>74.87</b>	<b>0.00</b>	<b>591.58</b>	<b>711.51</b>	<b>721.18</b>
<b>Previous Year</b>	<b>1,135.33</b>	<b>163.56</b>	<b>61.01</b>	<b>1,237.88</b>	<b>502.29</b>	<b>64.58</b>	<b>50.18</b>	<b>516.70</b>	<b>721.18</b>	<b>633.04</b>
Notes:										
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.										

**NOTE – I**  
**RESTATED STATEMENT OF TRADE RECEIVABLES**

(Rs. in lacs)

Particulars	As at		
	31/03/2022	31/03/2021	31/03/2020
<b>Trade Receivables</b>			
<b>Unsecured Considered good</b>			
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Dues From Directors, Related parties/Common Group Company, etc		-	-
Others	3,817.29	2,550.08	2,143.94
<b>Sub Total (A)</b>	<b>3,817.29</b>	<b>2,550.08</b>	<b>2,143.94</b>
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>			
Dues From Directors, Related parties/Common Group Company, etc	-	-	-
Others			
<b>Sub Total (B)</b>			
<b>Total</b>	<b>3,817.29</b>	<b>2,550.08</b>	<b>2,143.94</b>

**Trade Receivables ageing schedule as on March 31, 2022**

Particulars	Outstanding for following periods from due date of payment/transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	3,288.82	104.52	4.94	202.29	216.72	3,817.29
(ii) Undisputed Trade Receivables –considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. List of persons/entities classified as 'Promoters' 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.

**NOTE – J**  
**RESTATED STATEMENT OF CASH & CASH EQUIVALENTS**

(Rs. in Lakhs)

Particulars	As at		
	31/03/2022	31/03/2021	31/03/2020
<b>Cash and Cash Equivalents</b>			
Cash on Hand	5.36	1.58	0.60
<b>Balances with Banks in Current Accounts</b>	0.51	6.84	4.46
<b>Other Bank Balances</b>	<b>31.81</b>	16.42	17.19
<b>Total</b>	<b>37.69</b>	<b>24.84</b>	<b>22.25</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – K**  
**RESTATED STATEMENT OF INVENTORIES**

(Rs. in Lakhs)

Particulars	As at		
	31/03/2022	31/03/2021	31/03/2020
<b>Inventories</b>			
Raw Material	2565.16	1,764.50	1,189.30
Stores & Spares	86.51	84.03	113.72
Finished Goods	428.75	360.56	189.52
Semi-finished goods	3.17	1.27	0.48
Other Consumables	1.16	1.16	1.16
Traded Goods		121.52	
<b>Total</b>	<b>3,084.75</b>	<b>2,333.04</b>	<b>1,494.18</b>

**NOTE – L**  
**RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Rs. in Lakhs)

Particulars	As at		
	31/03/2022	31/03/2021	31/03/2020
<b>Unsecured, Considered Good unless otherwise stated</b>			
Balances dues from Government Authority	184.3	489.46	214.83
Loan and advance to Others (Unsecured and considered good)			
Loans and Advances to Directors/ Relatives of Directors			
Other Loans and Advance	305.83	176.47	22.27
<b>Total</b>	<b>490.14</b>	<b>665.94</b>	<b>237.11</b>

**NOTE – M**  
**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	As at		
	31/03/2022	31/03/2021	31/03/2020
Receivables towards Unbilled revenue			
Fixed Deposit			
Deposits			
Argon Cylinder Deposit	0.05	0.05	0.05
GEB Deposit			3.70
Sales Tax Deposit			0.05
UGVCL Deposit	5.81	5.81	0.70

*Baheti Recycling Industries Limited*

Panchwati Gas Service Deposit	0.06	0.06	0.06
Sakar Ind. Pvt. Ltd	7.24		
GR Metal Alloys Pvt. Ltd	21.63		
Misc Expenses (Preliminary Expenses write off)	14.21		
<b>Total</b>	<b>49.01</b>	<b>5.92</b>	<b>4.56</b>

**NOTE – N**  
**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
Sale of products	24,839.76	12,748.33	10,575.75
<b>Total (A+B)</b>	<b>24,839.76</b>	<b>12,748.33</b>	<b>10,575.75</b>

**NOTE – O**  
**RESTATED STATEMENT OF OTHER INCOME**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
<b>Related and Recurring Income:</b>			
Currency Rate Difference	37.11	11.88	18.40
Discount Income	1.71	0.89	1.48
Conversion Income			
<b>Related and Non Recurring Income:</b>			
Insurance Claim Received	0.40		
Freight on Sales			
<b>Non Related and Recurring Income:</b>			
Interest from Fixed Deposits	1.30	2.05	0.21
UGVCL Deposit Interest	-	0.24	
Interest on IncomeTax Refund			
Profit on Sale of Fixed Assets		1.18	
License Sale income	1.96	11.67	
Duty Drawback Received	3.11	1.50	
Interest Income	12.49		
Interest accrued but not received	0.25		
MEIS Credit Scrip Received	22.27		
<b>Non Related and Non Recurring Income:</b>			
Balance Written Off	5.69	2.28	
<b>Total</b>	<b>86.30</b>	<b>31.69</b>	<b>20.09</b>

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**NOTE – P**  
**RESTATED STATEMENT OF RAW MATERIAL CONSUMPTION**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
Opening Stock of Raw Material	1,764.50	1,189.30	1,573.54
Purchase of Materials	22,899.79	11,807.15	8,651.23
Less: Closing stock of Raw Material	2,565.16	(1,764.50)	(1,189.30)
<b>Total</b>	<b>22,099.14</b>	<b>11,231.94</b>	<b>9,035.48</b>

**NOTE – Q**  
**RESTATED STATEMENT OF CHANGE IN INVENTORIES**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
Opening Balance of Stock			
(i) Finished Goods	360.56	189.52	353.03
(ii) Work-in-progress	1.27	0.48	2.46
(iii) Stock-in-trade	206.71	114.87	0.68
Total	568.54	304.87	356.17
Less: Closing Balance of Stock			
(i) Finished Goods	428.75	360.56	189.52
(ii) Work-in-progress	-	1.27	0.48
(iii) Stock-in-trade	90.84	206.71	114.87
Total	519.59	568.54	304.87
<b>Increase/(Decrease) in Stock</b>	<b>48.95</b>	<b>(263.66)</b>	<b>51.30</b>

**NOTE – R**  
**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
Salary and Wages	794.85	565.93	537.44
Remuneration to Directors & MD	51.00	43.00	42.00
Staff Welfare Expenses	6.50	5.92	0.55
<b>Total</b>	<b>852.36</b>	<b>614.85</b>	<b>580.00</b>

**NOTE – S**  
**RESTATED STATEMENT OF FINANCE COST**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
Interest expense	337.26	295.88	272.28
Currency Rate Difference	-		0.64
Bank Charges and Commission	11.69		
Other Borrowing cost		16.14	15.57
<b>Total</b>	<b>348.95</b>	<b>312.02</b>	<b>288.49</b>

**NOTE – T**  
**RESTATED STATEMENT OF DEPRECIATION & AMORTISATION**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
Depreciation and Amortisation Expenses	74.88	64.58	59.02
<b>Total</b>	<b>74.88</b>	<b>64.58</b>	<b>59.02</b>

**NOTE – U**  
**RESTATED STATEMENT OF OTHER EXPENSES**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
<b><u>Direct Expenses</u></b>			
Manufacturing Expense	147.74	107.35	105.31
CFS and Other Charges	51.91	27.93	22.47
Custom Duty Expenses	0.45	0.01	
Clearing & Forwarding Expenses	27.87	21.76	18.14
Packing Charges			
Import Expenses	2.12		
Jobwork Charges			
Shipping Line Charges	228.01	199.59	155.56
Detention Charges	0.12		
<b><u>Indirect Expenses</u></b>			
Administrative Expense	104.85	77.53	65.67
Selling & Distribution Expense	474.66	267.30	159.39
Crane Charges	26.10	10.86	3.57
Compensation Cess	0.12		0.17
Clearing & Forwarding Expenses on Export	1.14	1.72	1.78
Export forklift Charges	1.86	2.35	0.77
Freight outward Expenses on Export			
GST Expenses	6.10	0.08	0.73
Internet Exp	0.84	1.66	1.25
Penalty for Late filing Fees of TDS		0.01	
Penalty for Late filing Fees of TCS	-	0.00	
LSS charges on Export			0.08
Legal Expenses	0.16		
Misc Expenses	0.13		0.07
Petrol & Diesel Expenses	13.04	12.12	15.00
Priliminary Expenses W/off	-		
Prior Year Expenses	0.04		
Quality Deviation Expenses	6.00	10.98	
Rounding off	0.00		
Scooter & Motorbike Expenses	0.02		0.02
Sales Promotion expense	1.54	3.08	1.01
Sea Freight for Export			
Shortage Expenses		0.39	2.59
Tractor Expenses			
Travelling Expenses			
Vatav, Kaasar & Rate Diff. Expenses			
Weighment Charges	1.10	0.23	

Interest On Income Tax	0.22		
<b>Total</b>	<b>1,096.15</b>	<b>744.94</b>	<b>553.57</b>

**NOTE – UA**

**RESTATED STATEMENT OF OTHER EXPENSES ( Bifurcation of Manufacturing, Administrative and Selling and Distribution Exp.)**

(Rs. in Lakhs)

Particulars	For the Year ended		
	31/03/2022	31/03/2021	31/03/2020
<b><u>Manufacturing Expense</u></b>			
Freight And Octroi In Purchase	63.95	39.30	32.01
Foundry Expenses	10.02	3.59	5.08
Laboratory Expenses	2.75	4.35	1.82
Labour Charges	5.35	0.76	7.13
Power & Fuel Expenses	46.63	40.73	46.42
Machine Repairing & Maintanance Expenses	-	0.56	0.12
Security Charges	19.03	18.08	12.73
<b>Total</b>	<b>147.74</b>	<b>107.35</b>	<b>105.31</b>
<b><u>Administrative Expense</u></b>			
Audit Fees	0.19	2.00	2.77
Books & Periodicals Expenses	0.03	0.04	0.02
Building repairing & Maintanance Expenses	0.91	1.39	0.08
Computer Repair and mainataince	1.38	1.21	0.40
Conveyance Expense	1.14	0.07	0.69
Donation Expenses	4.03	3.90	0.43
Electricity Expenses	-	0.57	3.18
Fees & Subscription Expenses	4.67	3.65	2.30
Filling Expenses	0.02	0.07	0.06
Garden Expenses	4.86	0.91	1.46
GPCB Charges	-	0.49	1.98
Inland & Foreign Travel Expenses			
Directors	2.67	9.96	2.55
Employees	4.88	1.38	1.74
Others	-	0.84	-
Insurance charges	7.75	5.82	5.29
Late Payment Charges-Sabarmati Gas	7.35	5.74	5.15
Motor Car Expenses	2.54	1.96	2.42
Office Expenses	1.99	0.71	0.29
Postage & Courier Charges	0.58	0.72	0.87
Printing & Stationary Expenses	1.39	0.94	0.74
Professional Charges	16.50	15.48	23.99
Rent ,Rate & Taxes	2.89	3.00	0.33
Repair Expenses	28.68	5.78	4.38
Sales Tax & VAT	-	0.09	1.70
Stamp Charges	6.32	6.11	0.04
Transport Vehicle Expenses	-	0.64	-
Telephone Expenses	0.81	2.34	1.26
Tea & Refreshment Expenses	1.43	0.09	-
Water Expenses	1.84	1.64	1.56
<b>Total</b>	<b>104.85</b>	<b>77.53</b>	<b>65.67</b>
<b><u>Selling &amp; Distribution Expense</u></b>			

*Baheti Recycling Industries Limited*

Advertisement Expenses	0.91	-	0.08
CFS Expenses on Export	1.83	2.42	1.97
Commission on Sales	45.88	31.70	26.59
Cash discount	80.94	15.02	1.55
EDI & Bond Charges	0.05	0.02	0.20
Export Seal Expense	0.16	0.17	0.08
Frieght outword & Octroi Expenses	338.12	209.81	124.85
Shipping Expenses on Exports	6.77	8.16	4.06
Sales & Promotion Expense	1.54	-	-
<b>Total</b>	<b>474.66</b>	<b>267.30</b>	<b>159.39</b>

**NOTE – V**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

Particulars	Rs. in lakhs		
	As at		
	31/03/2022	31/03/2021	31/03/2020
Contingent liabilities in respect of:			
Claims against the company not acknowledged as debts (Income tax Appeal (disputed demand) and TDS Defaults)		-	-
Claims against the company not acknowledged as debts (Disputed Labour Case) .	11.77	11.77	
Guarantees given on Behalf of the Company			
Guarantees given on Behalf of the Subsidiary Company	-	-	-
Other moneys for which the company is contingently liable	-	-	-
Commitments (to the extent not provided for)	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-
Other commitments	-	-	-
<b>Total</b>	<b>11.77</b>	<b>11.77</b>	<b>-</b>

**NOTE – W**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

AA	<b><u>RELATED PARTY DISCLOSURE</u></b>	
(a)	<b>List of Related parties</b>	
Names of the related parties with whom transactions were carried out during the years and description of relationship:		
Sr. No.	Name of the Person / Entity	Relation
1	Shankerlal Bansilal Shah	Chairman & Whole time director
2	Balkishan Shankerlal Shah	Managing Director
3	Yash Shankerlal Shah	Joint Managing Director
4	Ayushi Yash Shah	Non- Executive Director
5	Satya Narain Mittal	Independent Director
6	Jaimish Govindbhai Patel	Independent Director
7	Rashmi B. Shah	Relative of Director
8	Savita Shankerlal Shah	Director till 07/03/2022
9	Gopal Lal Laxminarayan Bangur	Director till 20/04/2022
10	Kaushal Maheshwari	Director till 20/04/2022
11	Yash Metals Pvt. Ltd.	Director having substantial interest in the Entity*

\* A scheme of Amalgamation was filed for amalgamation of Yash Metals Private Limited (the “Transferor”) with Baheti Recycling Industries Limited (the “Transferee”) before the National Company Law Tribunal, Ahmedabad Bench (“NCLT”), under Sections

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230 to 232, and other applicable provisions of the Companies Act, 2013 ("Scheme of Amalgamation"), seeking approval for the amalgamation of the Transferor into the Transferee. The appointed date for the Scheme of Amalgamation was April 01, 2021 ("Appointed Date"). The Scheme of Amalgamation was sanctioned and an order of the NCLT was delivered on February 23, 2022 ("Order"). The Scheme of Amalgamation came into effect from March 07, 2022, which was the date on which a certified copy of the Order was filed with the RoC ("Effective Date").

(Rs. in lakhs)

<b>(b) Transaction with related Parties :-</b>			
<b>Particulars</b>	<b>For the financial year</b>		
	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b><u>Remuneration Paid to Directors</u></b>			
Shankarlal Bansilal Shah	36.00	30.50	30.00
Balkishan Shankarlal Shah	15.00	12.50	12.00
<b><u>Professional Charges</u></b>			
Shankarlal Bansilal Shah	0.15	0.15	-
Balkrishna Shankarlal Shah	0.10	0.10	-
Savita Shankarlal Shah	0.10	0.10	-
Yash S. Shah	0.10	-	
<b><u>Purchase</u></b>			
Yash Metals Pvt. Ltd.	-	14.41	4.76
<b><u>Bonus</u></b>			
Ayushi Shah	0.32	0.17	
Yash Shah	1.47	0.97	0.90
Rashmi Shah (Being Relative of Director)	0.23	0.24	0.14
<b><u>Salary</u></b>			
Ayushi Shah	3.85	2.10	
Yash Shah	17.60	11.70	10.80
Rashmi Shah (Being Relative of Director)	2.80	2.89	1.80
<b><u>Rent</u></b>			
Shankarlal B. Shah	2.16		
<b><u>Loans Received</u></b>			
Balkishan Shankarlal Shah		103.48	113.59
Savita Shankarlal Shah	65.00	59.81	68.54
Shankarlal Bansilal Shah		479.69	356.90
Yash S. Shah		1.95	
Yash Metal Pvt. Ltd		17.95	14.23
<b><u>Loans Repaid/ Given</u></b>			
Balkishan Shankarlal Shah	218.35	91.94	4.31
Savita Shankarlal Shah	4.60	132.05	6.45
Shankarlal Bansilal Shah	463.16	503.05	367.33
Yash S. Shah	-	1.95	
Yash Metal Pvt. Ltd	-	26.80	
<b><u>Balances at the end of year (LOAN)</u></b>			
<b><u>Payables/ (Receivables)</u></b>			

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Balkishan Shankerlal Shah	140.73	128.01	116.46
Savita Shankerlal Shah	81.02	15.12	87.36
Shankerlal Bansilal Shah	249.54	345.33	368.69
Yash Metal Pvt. Ltd	-	15.31	24.16
<b>Interest Expense</b>			
Shankerlal Bansilal Shah	25.36	26.03	32.90
Balkishan Shankerlal Shah	12.30	12.48	8.09
Savita Shankerlal Shah	5.99	3.96	3.54
<b>Land purchased</b>			
Yash Shah	4.00		

**NOTE – X**  
**RESTATED STATEMENT OF TAX SHELTER**

(Rs. In Lakhs)

Particulars	As at March 31,		
	31/03/2022	31/03/2021	31/03/2020
Restated profit before tax as per books (A)	405.65	75.34	27.99
Tax Rates			
Income Tax Rate (%)	27.82%	26.00%	26.00%
Minimum Alternative Tax Rate (%)	15.60%	15.60%	15.60%
Adjustments :			
Income Considered Separately			
Disallowed	4.67	5.73	2.62
Timing Difference ©			
Book Depreciation	74.86	64.58	59.02
Income Tax Depreciation allowed	71.90	73.36	77.75
Total Timing Difference	2.96	(8.78)	(18.73)
Net Adjustment D= (B+C)	7.64	(3.05)	(16.10)
Income from Capital Gains (E)			-
Income from Other Sources		-	-
Bank Interest-FD	1.30	2.05	-
Interest Received on I.Tax Refund		-	-
Deduction under chapter VI (H)		1.88	
Taxable Income/(Loss) (A+D+E+G+H)	413.29	70.42	11.89
Income Tax on Above	114.98	18.31	3.09
MAT on Book Profit	63.28	11.75	4.37
Tax paid as per normal or MAT	Normal	Normal	Normal
Interest Payable			
Total Provision for Tax	115.48	18.31	3.09

**NOTE-Y  
CAPITALIZATION STATEMENT**

(Amt. Rs. in Lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	4476.34	4476.34
Long Term Debt (B)	598.47	598.47
<b>Total debts (C)</b>	<b>5074.81</b>	<b>5074.81</b>
<b>Shareholders' funds</b>		
Equity share capital	456.51	*
Reserve and surplus - as restated	1,213.00	*
<b>Total shareholders' funds</b>	<b>1,669.51</b>	<b>*</b>
<b>Long term debt / shareholders funds (in Rs.)</b>	<b>0.36</b>	<b>*</b>
<b>Total debt / shareholders funds (in Rs.)</b>	<b>3.04</b>	<b>*</b>
(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.		
<b>Notes:</b> 1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months. 2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities. 3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.03.22.		

**NOTE - Z  
RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Rs. in Lakhs Except Per Share Data)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
Net Worth (A)	1,669.51	1,081.02	1,033.23
Adjusted Profit after Tax (B)	291.98	47.78	19.19
Number of Equity Share outstanding as on the End of Year ( c)	4,565,118	3,750,000	3,750,000
Weighted average no of Equity shares at the time of end of the year (D)	7,608,530	6,250,000	6,250,000
Face Value per Share	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/C) (Based on Actual Number of Shares)	6.40	1.27	0.51
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) (Based on Weighted Average Number of Shares)	3.84	0.76	0.31
Return on Net worth (%) (B/A)	17.49%	4.42%	1.86%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Actual Number of Shares)	36.57	28.83	27.55
Net asset value per share (A/D) (Face Value of Rs. 10 Each) (Based on Weighted Average Number of Shares)	21.94	17.30	16.53
EBITDA	731.49	404.11	339.20

Note:

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.

(b) Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS.

(c) Return on net worth (%) :- Net profit after tax (as restated) / Net worth at the end of the period or year.

(d) Net assets value per share :- Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

6) While computing weighted average number of equity shares, the bonus issue of 30,43,412 equity shares allotted in the ratio of 2:3 to the shareholders, through Board Meeting dated June 27, 2022 has been considered.

**NOTE ZA**  
**RATIO ANALYSIS AND ITS ELEMENTS**

(Rs. in Lakhs Except Per Share Data)

Particulars	As At		
	31/03/2022	31/03/2021	31/03/2020
Current Ratio	1.27:1	1.27:1	1.20:1
Debt Equity Ratio	3.04:1	3.51:1	3.02:1
Debt Service Coverage Ratio	0.78:1	0.39:1	0.72:1
Return On Equity Ratio	17.49%	4.42%	1.86%
Inventory Turnover ratio	62.94	46.35	51.19
Trade Receivable Turnover Ratio	7.80	5.43	5.65
Trade Payable Turnover Ratio	22.65	20.31	29.48
Net Capital Turnover Ratio	15.59	10.81	16.12
Net Profit Ratio	1.17%	0.37%	0.18%
Return on Capital Employed	32.23%	19.53%	23.29%
Return On Investment/Total Assets	3.56%	0.76%	0.42%

### **OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.bahetiindustries.com](http://www.bahetiindustries.com)

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below: -

Particulars	(Rs. in lakhs)		
	March 31, 2022	March 31, 2021	March 31, 2020
Profit After Tax	291.98	47.78	19.19
Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares)	3.84	0.76	0.31
Return on Net Worth (%)	17.49%	4.42%	1.86%
NAV per Equity Shares (Based on Actual Number of Shares)	36.57	28.83	27.55
NAV per Equity Shares (Based on Weighted Average Number of Shares - With Bonus Effect)	21.94	17.30	16.53
Earnings before interest, tax, depreciation and amortization (EBITDA)	731.49	404.11	339.20

## STATEMENT OF FINANCIAL INDEBTEDNESS

To,  
 The Board of Directors,  
 Baheti Recycling Industries Ltd.  
 [Formerly Known as Baheti Metal and Ferro Alloys Ltd]  
**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Baheti Recycling Industries Ltd.** [Formerly Known as Baheti Metal and Ferro Alloys Ltd] 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, 2022 are mentioned below.

### A. SECURED LOANS

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. in Lacs)

Name of Lender	Purpose	Sanctioned Amount (In Lacs)	Rate of interest	Margin	Re-Payment Schedule	Sub limit / interchangeability details	Outstanding amount as on 31.3.2022 as per Books (In Lakhs)
Axis Bank	Cash Credit	2600.00	Repo + 3.00% i.e. 7.00% p.a.	25% on stock and 30% on debtors cover period up to 120 Days	12 Months	N.A.	609.73
Axis Bank	WCDL	2000.00	Repo Rate + 2.75% i.e. 6.75% p.a.		12 Months	N.A.	2000.00
Axis Bank	LCBD Limit	600.00	Usance; Upto 90 days: Repo Rate +3.75% i.e 7.75% p.a Usance 91 days to 180 days: Repo Rate + 4.25% i.e 8.25% p.a	NIL	12 Months	As Sublimit to CC	Nil
Axis Bank	Export Credit Limit	300.00	Repo Rate + 2.90% i.e. 6.90% p.a.	10%	12 Months	STAND ALONE	300.00

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	- EPC/PCFC/ RPC/EB RD/FBILL (Sub Limit of CC)		Libor + 200 BPS				
Axis Bank	Bank Guarantee (Sub limit of CC)	200.00	80% of bank's standard charges	15%	12 Month Usance : Max 36 M inclusive of Claim Period	As Sublimit to CC.	Nil
Axis Bank	Letter of Credit ILC/FLC (Sub limit of CC)	400.00	75% of bank's standard charges	15%	12 Months	As Sublimit to CC.	Nil
Axis Bank	LER LIMIT	50.00	Aa Per bank's standard Charges	NIL	12 Months	As Sublimit to CC.	Nil
Axis Bank	Vendor Financing/ Supply bill Discounting limit to Vendors/sup plier of TATA STEEL LTD(TSL) Of their Supplies TSL.	1000.00	Repo Rate + 3% i.e 7% p.a	NIL	12 Months	N.A.	895.87
Axis Bank	LCBD (STAND ALONE)	200.00	Usance: up to 90 days : Repo rate +3.75% i.e. 7.75% p.a  Usance:91 to 180 days:  Repo Rate+4.25%	NIL	12 Months	N.A.	Nil
Axis Bank	TERM LOAN- ECLGS	428.00	Repo Rate+3.80% i.e 7.80% p.a	NIL	Monthly EMI of Rs. 1188889/- Starting from September-21 to July- 24	N.A.	344.78

*Baheti Recycling Industries Limited*

Axis Bank	TOD	200.00	8.00%	NIL	30 Days	N.A.	200.00
Axis Bank	KIA (Car loan)	10.74	8.75%		36 Months	N.A.	8.48
Hdfc Bank	Car Loan	70.75	7.65%	NIL	60 monthly installments of Rs. 142273/- Nov 07, 2020		53.36
Kotak Mahindra Bank Ltd	Against Property	215.00	8.85%		120 Monthly Installments of Rs. 266570/- starting from Oct 10, 2020		191.85
			<b>TOTAL</b>				<b>4604.07</b>

**B. UNSECURED LOANS**

Name of Lender	Purpose	Rate of Interest	Re-payment Schedule	Closing balance (Rs. in lacs)
Balkishan Shankarlal Shah	Business loan	12%	Repayable on Demand	140.73
Savitaben S shah	Business loan	12%	Repayable on Demand	81.02
Shankerlal B Shah	Business loan	12%	Repayable on Demand	249.00
<b>Grand Total</b>				<b>470.75</b>

**Principal terms of the bank borrowings availed by us: -**

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

**Axis Bank Limited**

Security: Following are the securities that been created by our company to secure the borrowing facilities:

**Primary: -**

First charge by way of hypothecation over entire current assets of the Company (present and future)

For LCBD – Documents of title to goods duly endorsed in favor of the bank after confirmation of payment from BanCollateral: -

*Baheti Recycling Industries Limited*

- Equitable Mortgage over Factory Land & building situated at Block No. at 176P, 197 & 198, Shrinath Industrial Estate, Village Sampa, Dehgam, Gandhinagar.

- Hypothecation of Plant & Machinery (excluding vehicles financed by other bank)

Personal Guarantee: Mr. Shankerlal B. Shah, Mrs. Savita S Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerlal Shah

Declaration/Undertaking stating that 11.25 lakhs shares of the Promoters shall not be sold to any party without prior written consent of the Axis Bank.

**Penal Charges: -**

In the event of non-payment of Installment/ interest, penal interest of 4.00% per annum on the amount of overdue installment/ interest will be charged. In the event of non-creation of security within stipulated timelines, penal interest of 2% p.a. on the outstanding amount of WCTL will be applicable for the period of default.

**Key Covenants: -**

- i. The borrower will place its proportionate banking business with the Bank.
- ii. Book-debts arising on account of bills drawn on sister/associate concerns will not be financed.
- iii. The borrower shall pay the charges to the Bank as per the Bank's standard schedule of charges for various services rendered by the Bank.
- iv. The borrower should undertake not to divert working capital funds for long term purposes.
- v. The borrower should undertake that its total short borrowings under banking system during the financial year shall not exceed assessed MPBF for that financial year.
- vi. Borrower shall undertake to retire the bills/LCs without devolving liability on the bank. (Note: To be specifically mentioned in case of Connected lending case in which Bank & Director is a director on the board of Borrower)

**Kotak Mahindra bank**

Security: Residential Property at Bungalow #1 and 2, Jayeshwar CHSL, Opp. Bhandari Saree, Shahibaug, Ahmedabad, owned by Mr. Shankerlal B. Shah..

Personal Guarantee: Mr. Shankerlal B. Shah, Mrs. Savita S Shah, Mr. Balkishan Shankerlal Shah and Mr. Yash Shankerlal Shah

**Pre-payment penalty**

- ☐ No Prepayment {Foreclosure is allowed till the lapse of Lock-in-period of 6 months after EM commencement.

*Baheti Recycling Industries Limited*

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After the Lock-in-period, Part Prepayment of minimum Rs. 25,000/- and maximum up to 25% of outstanding Loan Amount can be made without any Prepayment Charges every 6 months. The minimum period between any two prepayments shall be at least 6(six) months.

For any Part Prepayment in excess of 25% (Plus GST and other applicable taxes) of the excess prepayment Amount will be charged as Prepayment charges.

For Full Prepayment any time after the Lock-in-period, Prepayment Charges shall be 4% (plus GST and other applicable taxes) of the Foreclosure Loan Amount plus, Amount prepaid during the last 12 months.

**Key Covenants**

The borrower is prohibited from using the loan amount or any part thereof for any purpose other than for which it has been sanctioned.

The property shall be well maintained at all times and during the pendency of loan if the property suffers any loss on account of natural calamities or due to riots etc., the same should be intimated to the bank without fail.

The borrowers and Guarantors shall not voluntarily cause any harm to the property that may in any way be detrimental to the interests of the bank. You shall make up for any loss incurred to the bank on account of any damages occurring to the property due to deviation from the approved plan.

**For M/s. WADHAWAN & CO.**

Chartered Accountants

Firm Registration No.: 129455W

Sd/-

Ajit A. Wadhawan

Partner

Membership No: 032886

**Place:** Ahmedabad

**Date:** 12/07/2022

UDIN: 22032886AMSAWD9500

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page **Error! Bookmark not defined.** You should also read the section titled “Risk Factors” on page 25 and the section titled “Forward Looking Statements” on page **Error! Bookmark not defined.** of this Draft Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated July 12, 2022 which is included in this Draft Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **OVERVIEW**

Incorporated in 1994, we are an aluminium recycling Company, primarily engaged in processing aluminium based metal scrap to manufacture (i) aluminium alloys in the form of ingots and (ii) aluminium de-ox alloys in the form of cubes, ingots, shots and notch bar. The versatile properties of aluminium and its alloys, results in it being used in various industries, which include automobiles, construction, electrical transmission application, food packaging etc. Aluminium alloys are used in automobiles components due to its stiffness, corrosion resistance and excellent strength to weight ratio. The Aluminium de-ox alloys are used as deoxidizer in steel manufacturing units.

Aluminium is more environment-friendly than steel, plastic and other materials. It has widespread uses throughout the economy and is equally important to both the industrial and consumer sectors. Key sectors to drive aluminium consumption in India are Auto, Power, Electronics, Railways, Aerospace & Defence Construction, Solar Energy and Aluminium packaging. Aluminium is 100% recyclable and consumes 95% less energy and releases 95% less greenhouse gases as compared to primary aluminium and there is no loss of properties or quality during the recycling process. (Source: Indian Bureau of Mines).

As on the date of this Draft Prospectus, our manufacturing unit, situated at Dehgam (Gandhinagar, Gujarat) has 12,000 MT installed capacity for processing aluminium scrap. Our unit has a well-equipped laboratory, modern technology and testing equipments with supporting environment and facilities, to ensure that the products conform with the pre-determined standards. Our manufacturing facility is strategically located near to some of our customers’ manufacturing facilities allowing us to optimise our deliveries, reduce lead times and facilitate greater interaction with our customers.

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure IV of Restated Financial Statements beginning on page 152 of this Draft Prospectus.

### **Factors Affecting our Results of Operations**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factors**” beginning on page 25 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;

## Baheti Recycling Industries Limited

6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company's ability to successfully implement its growth strategy and expansion plans ;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Impact of covid-19 on our business and operations; and
21. Global distress due to pandemic, war or by any other reason.

## Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the F.Y. ended 2022, 2021 and 2020.

(Rs. in lakhs)

Particulars	31-Mar-22	% of Total Income	31-Mar-21	% of Total Income	31-Mar-20	% of Total Income
Revenue from operations	24839.76	99.65%	12748.33	99.75%	10575.75	99.81%
Other income	86.3	0.35%	31.69	0.25%	20.09	0.19%
<b>Total Income</b>	<b>24926.06</b>	<b>100.00%</b>	<b>12780.02</b>	<b>100.00%</b>	<b>10595.84</b>	<b>100.00%</b>
<b>Expenses</b>						
Raw Material Consumption	22099.14	88.66%	11231.94	87.89%	9035.48	85.27%
Change in inventories of finished goods, work in progress and stock in trade	48.95	0.20%	(263.66)	(2.06%)	51.30	0.48%
Employee benefits expense	852.36	3.42%	614.85	4.81%	580.00	5.47%
Finance costs	348.95	1.40%	312.02	2.44%	288.49	2.72%
Depreciation and amortization expense	74.88	0.30%	64.58	0.51%	59.02	0.56%
Other expenses	1096.15	4.40%	744.94	5.83%	553.57	5.22%
<b>Total expenses</b>	<b>24520.43</b>	<b>98.37%</b>	<b>12704.67</b>	<b>99.41%</b>	<b>10567.86</b>	<b>99.74%</b>
<b>Profit / (loss) before tax</b>	<b>405.63</b>	<b>1.63%</b>	<b>75.35</b>	<b>0.59%</b>	<b>27.98</b>	<b>0.26%</b>
<b>Tax expenses</b>						
(1) Current tax	115.48	0.46%	18.31	0.14%	3.09	0.03%
(2) Deferred tax	0.01	0.00%	4.38	0.03%	5.56	0.05%
Short/Excess Provision of Earlier Year	-1.82	-0.01%	4.87	0.04%	0.15	0.00%
<b>Profit / (loss) after tax</b>	<b>291.98</b>	<b>1.17%</b>	<b>47.78</b>	<b>0.37%</b>	<b>19.19</b>	<b>0.18%</b>

## Baheti Recycling Industries Limited

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### **Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of aluminium alloys and aluminium deox alloys.

### **Other Income:**

Our other income primarily comprises of Interest Income, gain on disposal of fixed assets, Currency rate difference etc.

### **Expenses:**

Company's expenses consist of Cost of Materials Consumed, Increase/decrease in inventories of Stock in trade, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses.

### **Employee benefits expense:**

Our employee benefits expense primarily comprises of Salaries, Allowances & Training expenses and Remuneration to Directors & MD

### **Finance Costs:**

Our finance cost includes Interest expense, Currency Rate Difference, Bank Charges and Commission, Other Borrowing cost.

### **Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Plant, Property & Equipment etc.

### **Other Expenses:**

Direct Expenses includes Manufacturing Expense, Custom Duty Expenses, Clearing & Forwarding Expenses, Packing Charges, Import Expenses, Job work Charges, Shipping Line Charges, Detention Charges

Indirect Expenses includes Administrative Expense, Selling & Distribution Expense, Crane Charges, Compensation Cess, Clearing & Forwarding Expenses on Export, interest and legal expense, etc.

## **Financial Year 2022 Compared to Financial Year 2021 (Based on Restated Financial Statements)**

### **Total Income:**

Total income for the financial year 2021-22 stood at Rs. 24926.06 Lakhs whereas in Financial Year 2020-21, the same stood at Rs. 12780.02 Lakhs representing an increase of 95.04%.

### **Revenue from Operations**

During the financial year 2021-22 the net revenue from operation of our Company increased to Rs. 24,839.76 Lakhs as against Rs 12,748.33 lakhs in the Financial Year 2020-21, representing an increase of 94.85%. Such increase was due to increase in sales volume and LME prices of aluminium.

### **Other Income:**

During the financial year 2021-22, the other income of our Company increased to Rs. 86.30 Lakhs as against Rs. 31.69 lakhs in the Financial Year 2020-21 representing a increase of 172.33% Such increase was primarily due to increase in Currency Rate Difference and receipt of Duty Drawback Received and MEIS Credit Scrip Received.

### **Total Expenses:**

### Baheti Recycling Industries Limited

The Total Expenditure for the financial year 2021-22 increased to Rs. 24,520.41 Lakhs from Rs. 12,704.68 lakhs in the Financial Year 2020-21 representing an increase of 93.00%.

#### **Cost of Materials Consumed**

The Cost of Materials Consumed for the year 2021-22 increased to Rs. 22,099.14 Lakhs from Rs 11,231.94 Lakhs for the 2020-21, representing an increase of 96.75% from the previous year.

#### **Employee benefits expense:**

Our Company has incurred Rs. 852.36 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to Rs.614.85 Lakhs in the financial year 2020-21. The increase of 38.63% was due to increase in Salaries, Allowances & Training expenses and Remuneration to Directors & MD

#### **Finance costs:**

These costs were for the financial Year 2021-22 increased to Rs.348.95 Lakhs as against Rs 312.02 Lakhs during the financial year 2020-21, representing an increase of 11.84%. This increase was primarily due to increase in interest expenses.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at Rs.74.88 Lakhs as against Rs.64.58 Lakhs during the financial year 2020-21, representing an increase of 15.95%.

#### **Other Expenses:**

Our Company has incurred Rs. 1,096.15 Lakhs during the Financial Year 2021-22 on other expenses as against Rs. 744.94 Lakhs during the financial year 2020-21. The increase of 47.15% was mainly due to increase in expenses on Administrative Expense, Crane Charges, CFS and Other Charges, Manufacturing Expenses, Clearing & Forwarding Expenses, Shipping Line Charges, Selling & Distribution Expenses, etc.

#### **Restated Profit before tax:**

Restated profit before tax for the financial year 2021-22 was Rs.405.63Lakhs as compared to restated Profit before Tax of Rs. 75.35 Lakhs during the financial year 2020-21.

#### **Restated profit after tax:**

The Restated Profit after tax for the financial year 2021-22 was Rs.291.97 Lakhs as compared to Restated Profit after Tax of Rs. 47.79 lakhs during the financial year 2020-21.

### **Financial Year 2021 Compared to Financial Year 2020 (Based on Restated Financial Statements)**

#### **Total Income:**

Total income for the financial year 2020-21 stood at Rs12780.02 Lakhs whereas in Financial Year 2019-20, the same stood at Rs. 10595.84 Lakhs representing an increase of 20.61%.

#### **Revenue from Operations**

During the financial year 2020-21 the net revenue from operation of our Company increased to Rs. 12,748.33 Lakhs as against Rs 10575.75 lakhs in the Financial Year 2019-20, representing an increase of 20.54%. Such increase was due to increase in sales volume.

#### **Other Income:**

During the financial year 2020-21, the other income of our Company increased to Rs.31.69 Lakhs as against Rs. 20.09 lakhs in the Financial Year 2019-20 representing an increase of 57.74% Such increase was primarily due to increase in Currency Rate Difference and receipt of Duty Drawback Received and License Sale income.

**Total Expenses:**

The Total Expenditure for the financial year 2020-21 increased to Rs. 12,704.68 Lakhs from Rs. 10567.86 lakhs in the Financial Year 2019-20 representing an increase of 20.22%.

**Cost of Materials Consumed**

The Cost of Materials Consumed for the year 2020-21 increased to Rs.11,231.94 Lakhs from Rs 9035.48 Lakhs for the 2019-20, representing an increase of 24.31% from the previous year.

**Employee benefits expense:**

Our Company has incurred Rs. 614.85 Lakhs as Employee benefits expense during the financial year 2020-21 as compared to Rs.580 Lakhs in the financial year 2019-20. The increase of 6.01% was due to increase in Salaries, Allowances & Training expenses and Remuneration to Directors & MD

**Finance costs:**

These costs were for the financial Year 2020-21 increased to Rs.312.02 Lakhs as against Rs.288.49 Lakhs during the financial year 2019-20, representing an increase of 8.16%. This increase was primarily due to increase in interest expenses and other borrowing cost.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2020-21 stood at Rs.64.58 Lakhs as against Rs.59.02 Lakhs during the financial year 2019-20, representing an increase of 9.42%.

**Other Expenses:**

Our Company has incurred Rs. 744.94 Lakhs during the Financial Year 2020-21 on other expenses as against Rs. 553.57 Lakhs during the financial year 2019-20. The increase of 34.57% was mainly due to increase in expenses on Administrative Expense, Crane Charges, CFS and Other Charges, Manufacturing Expenses, Clearing & Forwarding Expenses, Shipping Line Charges, Selling & Distribution Expenses, etc.

**Restated Profit before tax:**

Restated profit before tax for the financial year 2020-21 was Rs.75.35 Lakhs as compared to restated Profit before Tax of Rs. 27.98 Lakhs during the financial year 2019-20.

**Restated profit after tax:**

The Restated Profit after tax for the financial year 2020-21 was Rs.47.79 Lakhs as compared to Restated Profit after Tax of Rs. 19.18 lakhs during the financial year 2019-20.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

***I. Unusual or infrequent events or transactions***

## Baheti Recycling Industries Limited

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Prospectus, there are no unusual or infrequent events or transactions in our Company.

### **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.

### **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 25 of 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. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 25, 103 and 185 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

### **5. Total turnover of each major industry segment in which our Company operates**

As we operate in single segment i.e. manufacturing & trading of aluminium based products and related items, the same is not applicable on our Company

### **6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**”, our Company has not announced any new product or service.

### **7. Seasonality of business**

Our business is not seasonal.

### **8. Dependence on single or few customers**

Substantial portion of our revenues has been dependent upon few customers, with which we do not have any firm commitments. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition. For instance, our top five customers for the F.Y. ended March 31, 2022 and March 31, 2021 accounted for 60.94% and 51.76% of our revenue from operations for the respective year. We have not entered into any long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with them. For further details, refer risk factor “ **Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition**” on page 25 of this Draft Prospectus.

### **9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 93 and 103 respectively of this Draft Prospectus.

### **10. Details of material developments after the date of last balance sheet i.e. March 31, 2022**

After the date of last Balance sheet i.e. March 31, 2022, the following material events have occurred after the last audited period:

1. We have appointed Mr. Jaimish Govindbhai Patel as Non-executive independent director of the Company vide Extra Ordinary General Meeting held on June 27, 2022.

*Baheti Recycling Industries Limited*

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2. We have appointed Ms. Mansi Darji as Company Secretary and Compliance officer of the company with effect from the June 01, 2022 vide Board resolution dated May 27, 2022.
3. We have increased Borrowing Limits under section 180(1)(c ) of The Companies Act, 2013, that the monies borrowed together with the monies already by the company up to a sum of Rs. 75 Crores.
4. We have capitalize the profits of the company by issuing 30,43,412 equity shares of Face Value of Rs. 10/- in ratio of 2:3(2 new equity shares for 3 Existing shares) approved in Extra Ordinary General Meeting held on June 22, 2022 and allotted on June 27, 2022.
5. We have passed the Board Resolution in the meeting of Board of Directors dated May 27, 2022, authorizing the Board of Director to raise funds by making an Initial public offering.
6. We have passed the Special resolution in the Extra Ordinary General Meeting of Members held on June 22, 2022, authorizing the Board of Director to raise funds by making an Initial public offering.
7. We have adopted new set of Memorandum of Association as per the Provisions of the Companies Act, 2013 by passing a special resolution in extra ordinary general meeting held on June 22, 2022.
8. We have adopted new set of Article of Association as per the provisions of the Companies Act, 2013 by passing a special resolution in Extra ordinary general meeting held on June 22, 2022.
9. Mr. Prithviraj Dhariwal has given his resignation before board dated June 22, 2022 and same has been accepted by the board in Board meeting dated June 27, 2022.
10. Mr. Gopallal Laxminarayan Bangur and Mr. Kushal Maheshwari has resigned from the post of Independent director with effect from April 20, 2022.
11. Our Company has approved the Draft Prospectus vide resolution in the Board Meeting dated July 15, 2022

**CAPITALIZATION STATEMENT**

(Amt. Rs. in Lacs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	4476.34	4476.34
Long Term Debt (B)	598.47	598.47
<b>Total debts (C)</b>	<b>5074.81</b>	<b>5074.81</b>
<b>Shareholders' funds</b>		
Equity share capital	456.51	*
Reserve and surplus - as restated	1,213.00	*
<b>Total shareholders' funds</b>	1,669.51	*
<b>Long term debt / shareholders funds (in Rs.)</b>	0.36	*
<b>Total debt / shareholders funds (in Rs.)</b>	3.04	*
(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.		

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.03.22.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on July 05, 2022, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.*

### LITIGATION INVOLVING OUR COMPANY

#### A. LITIGATION FILED AGAINST OUR COMPANY

##### 1. Litigation Involving Criminal Matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

###### Employees Compensation Act, 1923

Under Section 82 of the Employees Compensation Act, 1923, an application bearing case no. WC FATAL LC/0000007/2020 dated 17.02.2020 is filed against the company by Mr. Janardansingh Dineshwarsingh before Judge - 9, Labour Court, Ahmedabad claiming compensation for an amount of INR. 11,77,000 along with interest and penalty for the accidental death of his son namely Late Mr. Manishkumar Dineshwarsingh which occurred on 11/05/2019 while performing the duties assigned to him by the Company. The matter is listed for hearing on 05.08.2022 for the purpose of Evidence of the Applicant.

##### 3. Litigation/Matters involving Tax Liabilities

###### (i) Direct Tax Liabilities

###### a. TDS Liability as per TRACES

As per TRACES, the following TDS Liabilities of the Company is being shown towards the Interest for late payment of TDS, late filing fees u/s 234E or Interest u/s 220(2) of the Income Tax Act, 1961: -

(Rs. in lakhs)

S.No.	Financial Year	Outstanding Liability
1	2021-2022	0.02
2	2020-2021	0.01
3	2019-2020	0.00
4	2018-2019	0.03
5	Prior Years	6.70
<b>Total outstanding liability</b>		<b>6.76</b>

**b. For Assessment Year 2009-2010**

As per the Income Tax Portal, the Company has an outstanding tax demand of Rs. 17,089/- towards interest for the Assessment year 2009-2010 wherein the Company has neither paid the tax liability nor preferred an appeal against the same till now.

**c. For Assessment Year 2020-2021**

As per the Income Tax Portal, adjustment proceedings have been initiated against the Company u/s 143(1)(a) of the Income Tax Act, 1961. The matter is currently pending adjudication.

**Yash Metals Private Limited (Now merged with the Company)**

**a. For Assessment Year 2015-2016**

The Company has received intimation under section 154 of the income-tax Act, 1961 from Office of Income Tax Department, WARD 4(1)(1), Ahmedabad vide Demand Identification No. ITBA/COM/F/17/2021-22/1039377070(1) for rectification of assessment order under section 143(3) of the Act passed on 03.11.2017 for the Assessment Year 2015-2016, where it is noticed that during the assessment years 2013-2014 and 2014-2015 the Company had given the building on rent, but the rent income received has been shown as business income and has claimed depreciation accordingly. That for the Assessment Year 2015-2016, the Company has shown rent income as income from house property instead of showing it as business income. The Company vide a letter dated 10.02.2022 has objected the same for the proposed rectification. The matter is pending adjudication.

**b. TDS Liability as per TRACES**

As per TRACES, an amount of Rs.941.00 is being shown as outstanding TDS Liability towards the Interest for late payment of TDS u/s 201 of the Income Tax Act, 1961.

**(ii) Indirect Tax Liabilities**

Nil

**4. Other Pending Litigations**

NIL

**B. LITIGATIONS FILED BY OUR COMPANY**

**1. Litigation Involving Criminal Matters**

**Negotiable Instruments Act, 1881**

The Company has filed a criminal case bearing Case Number: CC/0086769/2018 in Metropolitan Magistrate Court, Ahmedabad before 30-Additional. Chief Metropolitan Magistrate against Sh. Sureshbhai Manikbhai Bhavsar on 20.09.2018 under section 138 of the Negotiable Instruments Act, 1881 on account of dishonor of Cheque bearing no. 304248 for an amount of INR.8,45,607/- (Rupees Eight Lakhs Forty Five Thousand Six Hundred and Seven only). The said amount was payable against outstanding towards supply of goods being aluminium alloy ingots. The next date of hearing is 26.07.2022.

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

**For Assessment Year 2014-2015**

The Company has filed an Appeal to Commissioner of Income Tax (Appeals) against the Order under section 143(3) of the Income-tax Act, 1961 passed by WARD 4(1)(4), Ahmedabad on 25.10.2016. The Company has requested to withdraw the said Appeal and opted for Vivad se Vishwas Act, 2020. Pursuant to which, an amount of INR. 51,481/- was paid towards tax on regular assessment by the Company on 31.03.2021 vide Challan No. 36631. Currently, the proceedings are pending for adjudication.

**For Assessment Year 2015-2016**

The Company has filed an Appeal to Commissioner of Income Tax (Appeals) against the Order under section 143(3) of the Income-tax Act, 1961 passed by WARD 4(1)(4), Ahmedabad on 03.11.2017. The Company has requested to withdraw the said Appeal and opted for Vivad se Vishwas Act, 2020. Pursuant to which, an amount of INR. 1,62,828/- was paid towards tax on regular assessment by the Company on 31.03.2021 vide Challan No. 36682. The final assessment order and acceptance of amnesty scheme is pending receipt.

**For Assessment Year 2015-2016**

The Company has received intimation letter ITBA/PNL/S/271(1)(c)/2017- 18/1007542739(1) dated 03.11.2017 and initiated penalty proceedings under section 274 read with section 271(1)(c) of the Income Tax Act, 1961 and requested the Company to show cause as why the penalty should not be made under section 271(1)(c) of the Income Tax Act, 1961 against the Company. The matter is currently pending before the adjudicating authority, however, the company has opted for Vivad se Vishwas for the appeal filed.

**(ii) Indirect Tax Liabilities**

Nil

**4. Other Pending Litigations**

Nil

**LITIGATIONS INVOLVING OUR DIRECTORS**

**LITIGATIONS FILED AGAINST THE DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities:**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

**(a) Income Tax:**

- **Balkishan Shankerlal Shah for AY 2018-2019**

The Income Tax Department raised an outstanding demand of INR. 450/- on 13.02.2019 u/s 143(1)(a). Currently, the matter is pending adjudication.

- **Balkishan Shankerlal Shah for AY 2013-2014**

Mr. Balkishan Shankerlal Shah has received intimation letter vide ITBA/COM/F/17/2019-20/1026612171(1) dated 14/03/2020 from the Office of the Income Tax Officer, Ward 1(2)(1), Ahmedabad to furnish information u/s 133(6) of the Income Tax Act, 1961 for the Assessment Year 2013-2014. Currently, the matter is pending adjudication.

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations:**

**Motor Vehicles Act, 1939**

A first Appeal bearing No. 2580/2013 has been filed by National Insurance Company Ltd. against the Legal Heirs of Bansilal Shah before the Hon'ble High Court of Gujarat. The matter was regarding the insurance claim awarded to his heirs under an accidental death claim which is awarded and received by the heirs of the deceased. The matter is transferred to Lok Adalat by the High Court for adjudication.

**A. LITIGATIONS FILED BY OUR DIRECTORS**

**1. Litigation involving Criminal Matters**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation Involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

- **Consumer Protection Act, 2019.**

Mr. Yash S. Shah filed a Consumer Complaint bearing No. 2007/ 2021 before the Hon'ble Consumer Dispute Redressal District Commission, Ahmedabad on 24.09.2021 against the New InsuranceIndia Co. Ltd and Raksha Health Insurance TPA Pvt. Limited thereby raising a demand of INR, 48,878/ @ 12% interest and INR 25,000/- under the Consumer

Protection Act, 2019 wherein, a sum of Rs. 74,834 /- was disallowed to him, being the Loss claimed by him under mediclaim policy bearing no. 21020034209500000037.

## **LITIGATIONS INVOLVING OUR PROMOTER**

### **A. LITIGATIONS FILED AGAINST OUR PROMOTER**

#### **1. Litigation involving Criminal Matters**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation/Matters Involving Tax Liabilities**

NIL

#### **4. Other Pending Litigations**

**Motor Vehicles Act, 1939**

For case details, please refer to “Litigation filed against the Directors – Other Pending Litigations”

## **LITIGATIONS FILED BY OUR PROMOTER**

#### **1. Litigation involving Criminal Matters**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation Involving Tax Liabilities**

##### **(i) Direct Tax Liabilities**

NIL

##### **(ii) Indirect Tax Liabilities**

NIL

#### **4. Other Pending Litigations**

NIL

## **AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company’s total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company.

Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company’s trade payables as per the last restated financial statements as material dues for the Company. The trade payables of our Company as on March 31, 2022 were Rs. 1051.31 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds Rs. 52.57

*Baheti Recycling Industries Limited*

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lakhs as on March 31, 2022. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on July 05, 2022. As on March 31, 2022, there are 7 creditors to each of whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately Rs. 644.6 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, in relation to amount unpaid together with interest payable have not been furnished.

As on March 31, 2022, our Company owes amounts aggregating to Rs. 1051.31 lakhs approximately towards 63 trade creditors, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them.

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled *“Management's Discussion & Analysis of Financial Conditions & Results of Operations”* beginning on page 185 of this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER APPROVALS**

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

For details in connection with the regulatory and legal framework within which we operate, see the section titled “*Key Industrial Regulations and Policies*” at page 112 of this Draft Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **I. APPROVALS FOR THE ISSUE**

The following approvals have been obtained or will be obtained in connection with 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 May 27, 2022 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on June 22, 2022 authorized the Issue.

#### **Approval from the Stock Exchange:**

1. In-principle approval dated [●] from NSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on SME Platform of NSE (i.e. NSE Emerge), issued by our Company pursuant to the Issue.

#### **Agreements with NSDL and CDSL:**

1. The company has entered into an agreement dated March 28, 2022 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Purva Shareregistry (India) Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated January 31, 2014 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Purva Shareregistry (India) Private Limited for the dematerialization of its shares.
3. The International Securities Identification Number (ISIN) of our Company is INE029Q01017.

### **II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

**Baheti Recycling Industries Limited**

1. Certificate of Incorporation dated December 28, 1994 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli, in the name of “Baheti Metal and Ferro Alloys Limited”.
2. Fresh Certificate of Incorporation dated January 25, 2022 issued by the Registrar of Companies, Ahmedabad, Gujarat, in the name of “Baheti Recycling Industries Limited” pursuant to change of Name of company from “Baheti Metal and Ferro Alloys Limited” to “Baheti Recycling Industries Limited”.
3. The Corporate Identification Number (CIN) of our Company is U37100GJ1994PLC024001.

**III. GENERAL APPROVALS**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

**A. INDUSTRIAL AND LABOUR LAW RELATED APPROVALS:**

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1	Factory License	Factories Act, 1948	Directorate Industrial Safety and Health, Gujarat State	2045/27205/1995	May 20, 2019	December 31, 2022
2	Importer –Exporter Code number	The Foreign trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade	0895001381	June 08, 1995	Valid till cancelled
3	Udyam Registration Certificate	MSME Development Act, 2006	Ministry of Small, Micro and medium enterprises	GJ-01-0017061	September 30, 2020	Valid till cancelled
4	Registration under Employees’ Provident Funds	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952	Office of SubRegional Provident Fund Commissioner	GJNRD0027010000	March 26, 2015	Valid till cancelled
5	Certification of Registration under Contract Labour	Contract Labour (Regulation & Abolition) Act, 1970	Office of the Dy. Labour Commissioner, Ahmedabad	860/97	January 07, 1997	Valid till cancelled

**B. TAX RELATED APPROVALS:**

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AAACB4626L	December 28, 1994	Valid until cancelled
2.	Goods & Service Tax Registration Certificate	Central Goods and Services Tax Act, 2017	Government of India	24AAACB4626L1ZS	Valid from July , 01st , 2017 and Date of Issue of renewed certificate March 15 <sup>th</sup> , 2022	Valid till cancelled

*Baheti Recycling Industries Limited*

3.	TAN (Tax Deduction Account Number)	Income Tax Act, 1961	Commissioner of Income Tax	AHMB00015B	*	Valid till cancelled
4.	Professional Tax Registration	The Gujarat State Tax on Professions Traders, Callings and Employments Rules, 1976	Gram Panchayat	*	*	Valid till cancelled

\*The Company is not in possession of TAN and Professional tax registration certificate, thus the requisite information cannot be provided.

**C. ENVIRONMENTAL LAW RELATED APPROVALS:**

Sr. No	Description	Applicable law	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Consolidated Consent & Authorization	Consent under section-25 of the Water (Prevention and Control of Pollution) Act-1974, under section-21 of the Air (Prevention and Control of Pollution) Act-1981 and under rule 6(2) of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules-2016, framed under the Environmental (Protection) Act, 1986.	Gujarat Pollution Control Board	AWH-35406	March 30, 2019	May 04, 2029.

**D. QUALITY CERTIFICATIONS & MISCELLANEOUS APPROVALS:**

Sr. No	Description	Issuing Authority	Registration number	Date of Certificate	Date of Expiry
1.	ISO 14001:2015 (Quality Management System for following scope of activities: Manufacture of aluminium alloy ingots, aluminium notch bars, aluminium shots, aluminium cubes and zinc aluminium alloy ingots.	QFS Management Systems LLP	IS/2105BE/3020	June 01, 2021	May 31, 2024.
2.	ISO 45001:2018 (Quality Management System for following scope of activities: Manufacture of aluminium alloy ingots, aluminium notch bars, aluminium shots, aluminium cubes and zinc aluminium alloy ingots.	QFS Management Systems LLP	IS/2105BE/3021	June 01, 2021	May 31, 2024
3.	ISO 9001:2015 (Quality Management System for following scope of activities: Manufacture of aluminium alloy ingots, aluminium notchbars, aluminium shots, aluminium cubes and zinc aluminium alloy ingots.	TUV Rheinland (India) Pvt. Ltd.	8510000110201	July 22, 2020	July 21, 2023

*Baheti Recycling Industries Limited*

4.	Legal Entity Identification Number	Legal Entity Identifier India Ltd.	335800A21DBUDQ68QB08	-	April 01, 2023
5.	Certificate for Electrical Installation of K.V.A./D.G.Set/H.T.Line	The Indian Electricity Rules, 1956	-	November 22, 1996	Valid till Cancellation

**IV. Approvals or Licenses pending to be applied:**

1. Change of name in all the above approvals from “Baheti Metal and Ferro Alloys Limited ” to “Baheti Recycling Industries Limited”
2. In relation to financing the proposed project cost towards capacity expansion, technological upgradation, cost optimization of its operations as disclosed on page 81 of the Draft Prospectus, under “Objects of the Issue”, the Company is required to obtain modification/amendment to the existing licenses/approvals such as factory license, Consolidated Consent and Authorization(CC&A) etc. at various stages of the Capacity Expansion. The Company is also required to take approval from State Electricity Board for installation of transformer and consent to establish from Gujarat Pollution Control Board.

**V. Approvals or Licences applied but not received:**

1. Our Company has applied for registration of our logo  under Trademark Act, 1999 with application no. 5281013 dated January 11, 2022, which is currently under objection by the Registrar of Trademarks.

## **OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years & stub period(if any) and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated July 05, 2022 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions:-

(i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR)Regulations 2018; and

(ii) Where the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, none of the Companies has been identified as our Group Company.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

### **Corporate Approvals**

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on May 27, 2022 and our Shareholders have approved the Fresh Issue pursuant to the resolution passed at their Extra Ordinary General meeting held on June 22, 2022 under Section 62(1) (c) of the Companies Act, 2013.

### **In-principal Approval**

Our Company has obtained in-principal approval from the NSE Emerge for using its name in this Draft Prospectus/ Prospectus pursuant to an approval letter dated [●] NSE which is the Designated Stock Exchange.

### **Prohibition by SEBI, RBI or governmental authorities**

As on date of this Draft Prospectus, we confirm that our Company, our Promoter, our Promoter 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 promoter or directors is 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 promoter or directors.

### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower 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 the 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 Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than 10 crore rupees but less than 25 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 "NSE Emerge").

### **We confirm that:**

***Baheti Recycling Industries Limited***

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM 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 51 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 NSE Emerge. 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 52 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 for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated March 10, 2022 and National Securities Depository Limited dated January 31, 2014 for establishing connectivity.
- 2) Our Company has a website i.e. <https://www.bahetiindustries.com/>

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge: -

There has been no change in the promoters of the Company in the preceding one year from date of filing application to NSE Emerge.

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 NSE (NSE Emerge): -

- 1) Our Company was originally incorporated in the name of “Baheti Metal and Ferro Alloys Limited” on December 28, 1994 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of our Company was changed from “Baheti Metal And Ferro Alloys Limited” to “Baheti Recycling Industries Limited” vide a fresh certificate of incorporation dated January 25, 2022, issued by the Registrar of Companies, Gujarat, Ahmedabad.
- 2) The post issue paid up capital of the company will be 1,04,16,530 shares of face value of Rs.10/- aggregating up to Rs. 10.41 Crore which is less than Rs. 25 Crores.
- 3) The Company has a track record of at least 3 years as on the date of filling Draft Prospectus.
1. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2022, 2021 and 2020 is positive.

(In Rs. Lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
EBITDA	731.49	404.11	339.20
Networth	1,669.51	1,081.02	1,033.23

- 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 promoter, Group Companies, companies promoted by the promoter of the Company;
- 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
- 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 DRAFT OFFER DOCUMENT / OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT. THE LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 15, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR), REGULATION 2018.**

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Statement on Price Information of Past Issues handled by Hem Securities Limited:**

**Baheti Recycling Industries Limited**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Knowledge Marine & Engineering Works Limited	10.12	37.00	March 22, 2021	38.00	0.68% [-3.40%]	31.08% [5.63%]	14.59% [17.52%]
2.	EKI Energy Services Limited	18.60	102.00	April 07, 2021	140.00	225.20% [-0.92%]	608.48% [6.44%]	3029.41% [19.41%]
3.	DU Digital Technologies Limited	4.485	65.00	August 26, 2021	60.00	53.85% [7.32%]	113.85% [4.68%]	257.85% [2.74%]
4.	Prevest Denpro Limited	26.61	84.00	September 27, 2021	180.55	186.61% [1.77%]	270.83% [-4.92%]	323.51% [-4.13%]
5.	Jainam Ferro Alloys (I) Limited	19.61	70.00	October 08, 2021	73.00	3.57% [0.97%]	21.43% [-0.83%]	137.86% [-0.49%]
6.	Shri Venkatesh Refineries Ltd.	11.71	40.00	October 11, 2021	42.00	9.50% [0.36%]	47.88% [-0.65%]	215.00% [-1.94%]
7.	KN Agri Resources Limited	49.38	75.00	March 28, 2022	153.65	212.40% [-1.07%]	83.60% [-9.70%]	N.A.
8.	Krishna Defence and Allied Industries Limited	11.89	39.00	April 06, 2022	75.00	112.82% [-7.84%]	30.54% [-12.63%]	N.A.
9.	Eighty Jewellers Limited	11.07	41.00	April 13, 2022	42.00	0.49% [-9.51%]	-3.02% [-8.26%]	N.A.
10.	Kesar India Limited	15.82	170.00	July 12, 2022	172.50	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%
2020-21	2 <sup>(1)</sup>	17.02	-	-	-	-	-	2	-	-	-	1	-	1
2021-22	6 <sup>(2)</sup>	130.40	-	-	-	4	-	2	-	-	-	5	-	-
2022-23	3 <sup>(3)</sup>	38.78	-	-	-	1	-	1	-	-	-	-	-	-

- 1) The scrip of Suratwwala Business Group Limited and Knowledge Marine & Engineering Works Limited was listed on August 13, 2020 and March 22, 2021 respectively.
- 2) The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively. The scrip of KN Agri Resources Limited has not completed its 180th day from the date of its listing.
- 3) The scrip of Krishna Defence and Allied Industries Limited and Eighty Jewellers Limited was listed on April 06, 2022 and April 13, 2022 respectively. The scrip of Krishna Defence and Allied Industries Limited and Eighty Jewellers Limited has not completed its 180th days from the date of its listing. Further, the scrip of Kesar India Limited has not completed its 30<sup>th</sup> day from the date of listing.

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

**Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemsecurities.com](http://www.hemsecurities.com).

**Disclaimer from our Company and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Hem securities Limited), and our Company on June 24, 2022 and the Underwriting Agreement dated [●] entered into between the Underwriter, and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

#### **Note**

Investors who apply in the 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter 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 the Equity Shares in the issue.

#### **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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative 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, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the NSE Emerge**

As required, a copy of this Offer Document has been submitted to NSE of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the

aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the 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.

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 Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing**

This Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the Prospectus shall be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

#### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on SME Platform of NSE (NSE Emerge).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the NSE Emerge is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the

## *Baheti Recycling Industries Limited*

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SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. 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 to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Lead Manager, Registrar to the Issue, Banker to the Issue\*, Legal Advisor to the Issue, Sponsor Bank\*, Underwriter to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

\*The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. Wadhawan & Co., Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

### **Experts Opinion**

Except for the reports in the section titled “Financial Statements” and “Statement of Special Tax Benefits” on page 146 and 90 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 June 24, 2022 with the Lead Manager, (ii) the Underwriting Agreement dated [●] with the Underwriter and (iii) the Market Making Agreement [●] 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**

## ***Baheti Recycling Industries Limited***

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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 June 08, 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.

### **Particulars regarding Public or Rights 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 Equity Shares otherwise than for cash**

For detailed description please refer to the section titled "Capital Structure" beginning on page 55 of this Draft Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

We do not have any Group Company.

### **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 or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **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**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

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. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of this Draft Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

Investors may contact the LM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, LM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms.Mansi Harsh Darji, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Mansi Harsh Darji  
Company Secretary and Compliance Officer  
**Baheti Recycling Industries Limited**  
Address: A-2/3, L.R. Apartments,  
Opp. Police Commissioner Office,  
Shahibaug, Ahmedabad – 380 004,  
Gujarat, India  
Tel. No.: +91-79-25627681/82  
Email: cs@bahetiindustries.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt 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 July 05, 2022 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "Our Management" beginning on page 126 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**

Not Applicable

**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 Special Tax Benefits" beginning on page 90.

**Capitalization of Reserves or Profits**

Save and except as stated in "Capital Structure" on page 55 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

**Revaluation of assets**

For details of revaluation of assets refer chapter History and certain corporate matters and Financial Information of the company beginning on page 122 and 146 of this Draft Prospectus.

**Servicing Behavior**

There has been no default 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 126 and 174 of this Draft Prospectus.

Respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any**

Not Applicable

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to 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 Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI 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 RIIs 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, with respect to Application by retail individual investors 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 Applicants 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”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of upto 27,60,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on May 27, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on June 22, 2022 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **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 250 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements

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and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "**Dividend Policy**" and "**Main Provisions of Article of Association**" beginning on page 145 and 250 respectively of this Draft Prospectus.

### **Face Value and Issue Price**

The Equity Shares having a Face Value of Rs. 10.00 each are being offered in terms of this Draft Prospectus at the price of Rs. [●] per Equity Share (including premium of Rs.[●] per share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "**Basis for Issue Price**" beginning on page 87 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 SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from 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 Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 250 of this Draft Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated January 31, 2014 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated March 28, 2022 between CDSL, our Company and Registrar to the Issue.

**Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Emerge (SME platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

**Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to

## *Baheti Recycling Industries Limited*

transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Period of Subscription List of Public Issue**

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]

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 Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (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 issues, 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 LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock 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.

\*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

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page 51 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above Rs. 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 promoter 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 NSE for listing our shares on its Main Board subject to the fulfillment 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 Rs. 10 crores but below Rs. 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 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.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of NSE (NSE Emerge), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled **"General Information - Details of the Market Making Arrangements for this Issue"** on page 52 of this Draft Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of National Stock Exchange of India Limited.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **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.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled **"Capital Structure"** beginning on page 55 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled **"Main Provisions of the Articles of Association"** beginning on page 250 of this Draft Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*Baheti Recycling Industries Limited*

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*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the NSE Emerge i.e. SME platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the Issue**" and "**Issue Procedure**" on page 215 and 222 of this Draft Prospectus.

### **Issue Structure:**

Initial Public Issue of upto 27,60,000 Equity Shares of Rs. 10 each (the "Equity Shares") for cash at a price of Rs. [●] per Equity Share (including a Share Premium of Rs. [●] per Equity Share), aggregating up to Rs. [●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto [●] Equity Shares of Rs. 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.62% and [●]%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation<sup>(1)</sup></b>	Upto [●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] % of the Issue Size	[●] % of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 230 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through ASBA Process (for Non-Retails Investors) and through UPI Mechanism (for retail Investors).	Through ASBA Process Only.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of Rs. [●] each, such that the Application Value exceeds Rs. 2,00,000/-  <b><u>For Retail Individuals Investors:</u></b> [●] Equity Shares at an Issue price of Rs. [●] each.	[●] Equity Shares
<b>Maximum Application Size</b>	<b><u>For Other than Retails Individual Investors:</u></b> 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.  <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	[●] Equity Shares
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
		market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of Payment<sup>(2)</sup></b>	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form. In case of UPI as an alternate mechanism, application amount shall be blocked at the time of confirmation of mandate collection request by applicant.	
<b>Application Lot Size</b>	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

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 refer to “**Issue Structure**” on page 222 of this Draft Prospectus.

<sup>1)</sup> Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent 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) above may be allocated to the applicants in the other category.

<sup>2)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Note:** If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

#### **Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the 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.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of 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, which our Company will apply for only after Allotment; and (ii) registration of the Prospectus with ROC.

#### **Issue Programme**

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE 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 Centers 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 NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 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 applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

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 bank holidays)

## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the 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 (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Draft 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.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 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, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be 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 mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229(2) 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. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository**

account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

### **Application Form**

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, Emerge (www1.nseindia.com), 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 must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, 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.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding Electronic Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for making an Application in terms of the Draft Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

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An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the application form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Availability of Draft Prospectus and Application Forms**

The Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www1.nseindia.com](http://www1.nseindia.com).

### **Who can apply?**

Each Applicant should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies.

Subject to the above, an illustrative list of Applicants is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations

3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted [●] Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner

that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net offer of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retails individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Applicants:**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Draft Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Draft Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Draft Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non-Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by eligible NRIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

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 is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions: (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and (d) such other conditions as may be specified by SEBI from time to time. An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI. Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids: • FPIs which utilise the multi investment manager structure; • Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments; • Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; • 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. • Multiple branches in different jurisdictions of foreign bank registered as FPIs; • Government and Government related investors registered as Category I FPIs; and • Entities registered as collective investment scheme having multiple share classes. The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid

Bids, FPIs making multiple Bids 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 Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected. Participation of FPIs in the Issue shall be subject to the FEMA Rules. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **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 LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA 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. The exposure norms for insurers, prescribed under the Insurance Regulatory

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and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- i. Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- ii. The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- iii. The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus.

Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

### **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 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, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by Systemically Important Non-Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

#### ***Who can apply through UPI Mode:***

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

#### **PROCESS**

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

#### **BLOCKING OF FUNDS:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form of Baheti Recycling Industries Limited.
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

## **UNBLOCKING OF FUNDS:**

- a) After the offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public offer escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the offer period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

## **REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

## **LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

## **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA

Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form

**Baheti Recycling Industries Limited**

in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in 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 any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

**Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker and [●] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

**Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

**Pre-Issue Advertisement**

## Baheti Recycling Industries Limited

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.  
The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Draft Prospectus;

- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

**Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

**Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge (SME platform of NSE) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

**"Any person who—**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company 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 exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That our Promoter's contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 7) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 8) 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 specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 9) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 10) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoter or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

### **Utilization of Issue Proceeds:**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and

***Baheti Recycling Industries Limited***

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- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated January 31, 2014 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated March 28, 2022 between CDSL, our Company and Registrar to the Issue.

The Company's equity shares bear an ISIN No. INE29Q01017

## **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 FDI through press notes and press releases. The 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.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

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**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange

Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paidup value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this 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.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

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; provided that 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 Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

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.

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Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. 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.

## **SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

<b>Article No.</b>	<b>Particulars</b>	<b>Heading</b>
<b>1.</b>	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
<b>Interpretation Clause</b>		
<b>2.</b>	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) "The Company" shall mean <b>BAHETI RECYCLING INDUSTRIES LIMITED</b>	

	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>

	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Membersto be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of theCompany.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall includeabrogate.	<b>Variation</b>
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear thesame meaning in Articles</b>
<b>CAPITAL</b>		
<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>

5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non-Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

	reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	
<b>10.</b>	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
<b>11.</b>	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
<b>12.</b>	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<b>Issue of Sweat Equity Shares</b>
<b>13.</b>	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<b>ESOP</b>
<b>14.</b>	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	<b>Buy Back of shares</b>

<b>15.</b>	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
<b>16.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
<b>17.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
<b>18.</b>	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>

<b>19.</b>	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
<b>20.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
<b>21.</b>	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
<b>22.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
<b>23.</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
<b>24.</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>

<b>25.</b>	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
<b>26.</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
<b>27.</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
<b>CERTIFICATES</b>		
<b>28.</b>	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board	<b>Share Certificates.</b>

	<p>permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p> <p>(d) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is —"Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares".</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>

30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint- holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognize any interest in share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the	<b>Directors may make calls</b>

	<p>moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>A call may be made payable by installments.</p>	
<b>36.</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
<b>37.</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
<b>38.</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
<b>39.</b>	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
<b>40.</b>	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
<b>41.</b>	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
<b>42.</b>	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was	<b>Proof on trial of suit for money due on shares.</b>

	duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
<b>43.</b>	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 thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
<b>44.</b>	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
<b>LIEN</b>		
<b>45.</b>	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>

	Provided that the fully paid shares shall be free from all lien, while in the case of partly paid shares, the company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.	
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is	<b>Terms of notice.</b>

	payable will be liable to be forfeited.	
<b>50.</b>	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
<b>51.</b>	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
<b>52.</b>	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
<b>53.</b>	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
<b>54.</b>	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
<b>55.</b>	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles 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 shares.	<b>Evidence of Forfeiture.</b>
<b>56.</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
<b>57.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in	<b>Cancellation of share certificate in respect of forfeited shares.</b>

	respect of the said shares to the person or persons entitled thereto.	
<b>58.</b>	In the meantime and until any share so forfeited shall be sold, re- allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
<b>59.</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of 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 the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
<b>60.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
<b>61.</b>	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.  The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debentureholders in respect thereof.	<b>Execution of the instrument of shares.</b>
<b>62.</b>	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. Provided that the company shall use a common form of transfer;	<b>Transfer Form.</b>
<b>63.</b>	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, 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 certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may	<b>Transfer not to be registered except on production of instrument of transfer.</b>

	register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	
<b>64.</b>	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;	<b>Directors may refuse to register transfer.</b>
<b>65.</b>	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
<b>66.</b>	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
<b>67.</b>	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
<b>68.</b>	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
<b>69.</b>	Where an application of transfer 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 receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
<b>70.</b>	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
<b>71.</b>	(a) 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	<b>Recognition of legal representative.</b>

	<p>holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
72.	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	<b>Titles of Shares of deceased Member</b>
73.	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<b>Notice of application when to be given</b>
74.	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the</p>	<b>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</b>

	'Transmission Clause'.	
<b>75.</b>	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
<b>76.</b>	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
<b>77.</b>	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
<b>78.</b>	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Formno. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
<b>79.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
<b>80.</b>	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. If the holder(s) of the securities survive(s) nominee, then the</p>	<b>Nomination</b>

	nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	
<b>81.</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> <li>(i) to be registered himself as holder of the security, as the case may be; or</li> <li>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</li> <li>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</li> <li>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</li> </ul> <p>Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
<b>DEMATERIALIZATION OF SHARES</b>		
<b>82.</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
<b>JOINT HOLDER</b>		
<b>83.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
<b>84.</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>

	(d) 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 delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall be deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
<b>SHARE WARRANTS</b>		
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
<b>86.</b>	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	<b>Deposit of share warrants</b>
<b>87.</b>	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
<b>88.</b>	(a) The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		

<b>89.</b>	The Company may, by ordinary resolution in General Meeting. (a) convert any fully paid-up shares into stock; and (b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
<b>90.</b>	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
<b>91.</b>	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stockholders.</b>
<b>92.</b>	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
<b>93.</b>	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
<b>94.</b>	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>

<b>95.</b>	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
<b>96.</b>	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
<b>97.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
<b>98.</b>	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
<b>99.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
<b>100.</b>	(a) The Directors may, whenever they think fit, convene an Extra- Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>

	Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	
<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
<b>102.</b>	<p>a.) The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013.</p> <p>b.) A General meeting of the company including annual general meeting may be called after giving shorter notice than specified in above clause (a), if consent is accorded by the members of the company holding not less than 95% (Ninety Five percent) of such part of the paid up capital of the company as gives a right to vote at the meeting.</p>	<b>Length of Notice for calling meeting</b>
<b>103.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>104.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>105.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
<b>106.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>

<b>107.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>108.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
<b>109.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
<b>110.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub- section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
<b>111.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
<b>112.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	<b>Vote of member of unsound mind and of minor</b>
<b>113.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>

<b>114.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>115.</b>	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed jointsholders thereof. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
<b>116.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>117.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>118.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>

<b>119.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 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 satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
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<b>120.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>121.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
<b>122.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>123.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy not withstanding death of a member.</b>
<b>124.</b>	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.	<b>Time for objections to votes.</b>
<b>125.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>126.</b>	The following are the First Directors of the Company: 1. Mr. Bansilal Ramkishan Shah; 2. Mr. Shankerlal Bansilal Shah; and 3. Mr. Khsitish Madanmohan Shah	<b>Number of Directors</b>

	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	
<b>127.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>128.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
<b>129.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
<b>130.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>

<b>131.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, 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, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Director's power to fill casual vacancies.</b>
<b>132.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
<b>133.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
<b>134.</b>	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
<b>135.</b>	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
<b>136.</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
<b>137.</b>	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.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>

<b>138.</b>	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
<b>139.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>
<b>140.</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
<b>141.</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
<b>142.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
<b>143.</b>	At the Annual General Meeting of the Company to be held in every year, not less than two-thirds of the total number of Directors of the Company shall be the person whose period of office is liable to determination by retirement of Directors by rotation and be appointed by the Company in the general meeting. Out of the two-third directors, one third of such of the Directors as are liable to retire by rotation for time being, and they will be eligible for re-election. Provided that Independent Director(s) and Nominee director(s) 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.	<b>Eligible to retire by rotation</b>

<b>144.</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
<b>POWERS OF THE BOARD</b>		
<b>145.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
<b>146.</b>	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.	<b>To acquire any property, rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically	<b>To pay for property.</b>

	charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>

	(14) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds,	<b>Transfer to Reserve Funds.</b>

	interest at such rate as the Board may think proper.	
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favor of the members or any of the members of any local Board established as aforesaid or in favor of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the	<b>To enter into contracts.</b>

	Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions/licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	

	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
<b>MANAGING AND WHOLE-TIME DIRECTORS</b>		
<b>147.</b>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others</p>	<b>Powers to appoint Managing/ Whole-Time Directors.</b>

	<p>in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	
<b>148.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole Time Director.</b>
<b>149.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p>	<b>Powers and duties of Managing Director or Whole-Time Director.</b>
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>		
<b>150.</b>	<p>a) Subject to the provisions of the Act,—</p> <p>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; 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>

	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>THE SEAL</b>		
<b>151.</b>	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	<b>The seal, its custody and use.</b>
<b>152.</b>	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
<b>Dividend and Reserves</b>		
<b>153.</b>	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (3) 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.	<b>Division of profits.</b>
<b>154.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
<b>155.</b>	a) 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	<b>Transfer to reserves</b>

	<p>invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
<b>156.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
<b>157.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
<b>158.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
<b>159.</b>	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 dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
<b>160.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
<b>161.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
<b>162.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
<b>163.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
<b>164.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
<b>165.</b>	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.	<b>Notice of dividend.</b>
<b>166.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
<b>167.</b>	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:	<b>Capitalization.</b>

	<p>(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</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
<b>168.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
<b>169.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of</p>	<b>Inspection of Minutes Books of General Meetings.</b>

	<p>Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	
<b>170.</b>	<p>a) 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.</p> <p>b) 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.</p>	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
<b>171.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
<b>172.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
<b>173.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
<b>WINDING UP</b>		
<b>174.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
<b>INDEMNITY</b>		
<b>175.</b>	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges,	<b>Directors' and others right to indemnity.</b>

	losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	
<b>176.</b>	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through 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 of 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 judgment 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 office or in relation thereto, unless the same happens through his own dishonesty.	<b>Not responsible for acts of others</b>
<b>SECRECY</b>		
<b>177.</b>	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>



## **SECTION IX – 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 the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated June 24, 2022 between our Company and the Lead Manager to the Issue.
2. Agreement dated June 08, 2022 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated March 28, 2022 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated January 31, 2014 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated December 28, 1994 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
3. Fresh Certificate of Incorporation dated January 25, 2022 issued by the Registrar of Companies, Gujarat, Ahmedabad consequent upon change of Name of the company from “Baheti Metal and Ferro Alloys Limited” to “Baheti Recycling Industries Limited”.
4. Scheme of Amalgamation of Yash Metals Private Limited with Our Company.
5. Order related to scheme of Amalgamation of Yash Metals Limited with our Company dated February 23, 2022.
6. Copy of the Board Resolution dated May 27, 2022 authorizing the Issue and other related matters.
7. Copy of Shareholder’s Resolution dated June 22, 2022 authorizing the Issue and other related matters.
8. Copies of Audited Financial Statements of our Company for financial year ended March 31, 2022, 2021 and 2020.
9. Statutory Auditors Report dated July 12, 2022 on the Restated Financial Information of our Company for the financial years ended March 31, 2022, 2021 and 2020.
10. Copy of the Statement of Special Tax Benefits dated July 09, 2022 from the Statutory Auditor.
11. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Advisor to the Issue, Statutory Auditor of the Company, Bankers to our Company, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
12. Board Resolution dated July 15, 2022 for approval of Draft Prospectus and dated [●] for approval of Prospectus
13. Due Diligence Certificate from Lead Manager dated July 15, 2022.
14. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the National Stock Exchange of India Limited.

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Mr. Shankerlal Bansilal Shah Chairman & Whole time director DIN: 00131715	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Mr. Balkishan Shankerlal Shah Managing Director DIN: 03006486	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Mr. Yash Shankerbhai Shah Join Manging Director DIN: 09527701	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mrs. Ayushi Yash Shah Non-Executive Director DIN: 09527729	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Mr. Satya Narain Mittal Independent Director DIN: 09533705	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Mr. Jaimish Govindbhai Patel Independent Director DIN: 09647742	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

#### **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Name and Designation	Signature
Mr. Manoj Kumar Shah Chief Financial Officer	Sd/-

Date: July 15, 2022

Place: Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Prospectus are true and correct.

### **SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

Name and Designation	Signature
Ms. Mansi Harsh Darji Company Secretary and Compliance Officer	Sd/-

Date: July 15, 2022

Place: Ahmedabad