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BALAJI PHOSPHATES LIMITED

Our company was originally incorporated as Balaji Phosphates Private Limited on April 4, 1996, pursuant to Certificate of Incorporation issued by the Registrar of Companies, Kanpur, under the provisions of the Companies Act, 1956. Following a Special Resolution passed at an Extraordinary General Meeting (EGM) on September 7, 2023, the company was converted from a private limited company to a public limited company. Concurrently, the company's name was changed to "Balaji Phosphates Limited." Upon this conversion, a new Certificate of Incorporation was issued by the Registrar of Companies, Gwalior, dated September 18, 2023, with Corporate Identification Number (CIN) U24123MP1996PLC067394. For further details regarding the name change and the registered office of the company, please refer to the section titled "History and Certain Corporate Matters" starting on page 17 of the Draft Red Herring Prospectus.

Registered and Corporate Office: 305 Utsav Avenue, 3rd Floor, 12/5 Ushaganj Jaora Compound, Indore G.P.O., Indore (Madhya Pradesh)- 452001.

Contact Person Deepika Singh, Company Secretary & Compliance Officer; **Tel:** +919827090267.

E-mail: infous@balajiphosphates.com, **Website:** www.balajiphosphates.com

OUR PROMOTERS: MR ALOK GUPTA AND MR. MOHIT AIREN

INITIAL PUBLIC OFFER OF UPTO 71,60,000*EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF BALAJI PHOSPHATES LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (THE "OFFER PRICE"), (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE), AGGREGATING UPTO ₹ [•] LAKHS ("THE OFFER"), COMPRISING OF FRESH OFFER OF UP TO 59,40,800 EQUITY SHARES AGGREGATING UP TO ₹ [•] (THE "FRESH ISSUE") ("THE ISSUE") AND AN OFFER FOR SALE OF UP TO 12,19,200 EQUITY SHARES BY MR. ALOK GUPTA AND MR. MOHIT AIREN ("SELLING SHAREHOLDER") AGGREGATING TO ₹ [•] LAKHS ("OFFER FOR SALE"), THE OFFER INCLUDES A RESERVATION OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [•] PER EQUITY SHARE FOR CASH, AGGREGATING TO ₹ [•] ("THE MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, AGGREGATING TO ₹ [•] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [•] % AND [•] % RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE NO 294 OF THE DRAFT RED HERRING PROSPECTUS.

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 30, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

This addendum ("Addendum") should be read in conjunction with the Draft Red Herring Prospectus dated September 30, 2024 filed with the NSE EMERGE in relation to the Initial Public Issue of Balaji Phosphates Limited

In this regard, the Investor should note that certain updates and modifications has been made in various chapters of the Draft Red Herring Prospectus as per the instruction of the NSE and such updates and modifications are being presented to the Investors for their information and reference by way of this Addendum to the Draft Red Herring Prospectus.

This Addendum is to be read in conjunction with the Draft Red Herring Prospectus and accordingly all references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with NSE EMERGE and RoC. Please note that this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus. Potential Bidders should read the Red Herring Prospectus as and when filed with the RoC, and the NSE before making an investment decision in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within

the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meanings ascribed to them in the Draft Red Herring Prospectus.

For and on behalf of Balaji Phosphates Limited


Sd/-

Mr. Mohit Airen

Managing Director

Place: Indore

Date: January 27, 2025

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
	
Arihant Capital Markets Limited 1011 Building No. 10, Solitaire Corporate Park, Guru Hargovindji Road, Chakala, Andheri (East), Mumbai – 400 093 Telephone: +91- 22-4225 4800 Email: mbd@arihantcapital.com Website: www.arihantcapital.com Investor Grievance E-Mail: balajiipo@arihantcapital.com Contact Person: Amol Kshirsagar /Satish Kumar Padmanabhan SEBI Registration Number: INM000011070	ANKIT CONSULTANCY PRIVATE LIMITED 60, Pardeshipura Electronic Complex, Indore -452010 Contact Person: CS Saurabh Maheshwari Contact Number: 9752344442 Email: compliance@ankitonline.com Investor Grievance E-Mail: investor@ankitonline.com Website: www.ankitonline.com SEBI Registration No.: INR000000767
ISSUE PROGRAMME	
OFFER OPENS ON	[●]*
OFFER CLOSES ON	[●]**

***Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day

Contents

CHAPTER - I - GENERAL	1
DEFINITION AND ABBREVIATIONS	1
CHAPTER - II - RISK FACTORS	2
CHAPTER - III - INTRODUCTION.....	7
CAPITAL STRUCTURE	7
CHAPTER - IV - PARTICULARS OF THE OFFER.....	9
OBJECT OF THE OFFER.....	9
CHAPTER V – ABOUT THE COMPANY.....	12
OUR BUSINESS	12
HISTORY AND CERTAIN CORPORATE STRUCTURE	17
OUR MANAGEMENT	18
OUR GROUP COMPANIES	23
CHAPTER VI – FINANCIAL INFORMATION	24
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION	24
FINANCIAL INDEBTEDNESS	26
CHAPTER VII – LEGAL AND OTHER INFORMATION	29
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	29
GOVERNMENT AND OTHER APPROVALS	32
OTHER REGULATORY AND STATUTORY DISCLSOURCES	34
CHAPTER X – OTHER INFORMATION	33
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	35
DECLARATION	36

**SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS**

Issue Related Terms

Term	Description
“Addendum”	This Addendum dated January 27, 2025 to the draft red herring prospectus dated September 30, 2024 filed by our Company with NSE

CHAPTER - II - RISK FACTORS

5. The business is highly seasonal and such seasonality may affect our operating results and cash flow of our Company.

Our business is seasonal in nature. Sales of our products are seasonal, as our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depend on monsoon for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable.

We recognize revenues only upon the sale of our products. Empirically, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period may not be necessarily comparable with preceding or succeeding reporting periods. Sometimes, even if there is a slight change in the timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

8. We have certain contingent liabilities that have not been provided for in our Company's financials, which if realised, could affect our financial condition.

Our contingent liabilities as on March 31, 2024 is as follows:

Particulars	As at March 31, 2024
Income Tax Demand (AY 17-18)	0.96
Goods & Service Tax	26.47
Claims against the Company not acknowledged as debts	Nil
Total	27.43

9. Our Company has experienced negative cash flows. Any negative cash flow in future could affect our results of operations.

Our Company has experienced negative cash flows in the past, and any negative cash flow in the future could adversely affect our results of operations and financial condition. The negative cash flow in operating activities is primarily due to a working capital gap, while the negative cash flow in investing activities is a result of capital expenditures. Negative cash flow in financing activities is due to interest repayments.

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Cash generated from operating activities	(348.11)	(362.69)	339.24
Net Cash from /(used in) investing activities	(87.46)	(10.93)	(37.89)
Net Cash from /(used in) financing activities	388.83	378.87	(269.15)

Any negative cash flows in the future could adversely affect our Company's results of operation and financial condition. For further details, please refer to the section Financial Information 'beginning on page number [●].

20. We have been unable to locate certain of our historical corporate records.

Our Company was incorporated on April 4, 1996 and we have been unable to trace the following corporate records in our historical records:

- Form 23AC filed with the Registrar of Companies in relation to filing Balance Sheet and other documents with Registrar is not available before the financial year 2001-2002.
- Form 20B filed with the Registrar of Companies in relation to filing of Annual Return with Registrar is not available before the financial year 2000-2001.
- Form-5 filed with the Registrar of Companies in relation to increase in authorize share capital of the company on 26.04.2002, along with the relevant attachments including approvals obtained from the statutory authorities, where applicable;

For details of the above instances of increase in Authorize Share Capital, see "Capital Structure – History of Authorize Share Capital Build-up, on pages [●]. We have been unable to trace any of these documents despite conducting a search at our Company's offices and certain of these documents despite conducting a search at the office of the Registrar of Companies and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions or actions. Accordingly, reliance has been placed on confirmations provided by us in respect of the missing corporate records and appropriate disclosures have been made in the Draft Red Herring Prospectus pursuant to the due diligence of the other relevant corporate records available with our Company including the minutes of meetings of the Board and shareholders, register of members and register of transfer of equity shares to ascertain the information sought from the missing corporate records. Our Company has requested Registrar of Companies, Kanpur of physical documents vide its SRN X76405497 dated June 17,2024. There have been no further developments post the request application. Further, the company had taken all the necessary steps to trace all the documents that were not available in the records of the company. Pursuant to the Inspection, Mr. Ashish Karodia has issued a certificate dated June 27, 2024, confirming that, i) the Form 5 filings, along with the relevant attachments, in relation to increase in authorize share capital dated 26.04.2002 are untraceable; and ii) the Form 20 B filings in relation to each of filing of Annual Return before the financial year 2000-2001 and iii) the Form-23 AC filings Balance Sheet and other documents with Registrar before the financial year 2001-2002 are not available.

Additionally, the company has obtained a due diligence report (Search Report) dated September 24, 2024, from Mr. Ashish Karodia, a practicing Company Secretary. The report is based on a search conducted by him using Challans SRN X76913854 dated 26.06.2024, SRN U00336089 dated 25.06.2024, and SRN UU00482964 dated 24.09.2024, through the V2 and V3 portals of the Ministry of Corporate Affairs (MCA). The Company's secretarial records from the period of incorporation up to the financial year 2012-2013 are not accessible

23. The improper handling, processing or storage of our products or materials (both present or future), or spoilage of and damage to such products or materials, or any real or perceived contamination in our products or materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.

The products, we manufacture or process are exposed to risks such as contamination, adulteration, and tampering during manufacturing, transportation, or storage. To address the risks associated with potential damage to our raw materials and finished products during transit, we maintain comprehensive insurance coverage. Additionally, we confront inherent business risks related to potential product liability or recall claims should our products fail to meet required quality standards or be alleged to cause harm to consumers.

Any defects in our products or claims from customers could negatively impact our brand's value, leading to a potential decline in sales. Furthermore, our business heavily relies on the trust customers place in the quality of our products. There is a risk of legal proceedings and product liability claims from various entities, including customers, end-users, and government agencies, for reasons such as defective or contaminated products.

In the event of a product recall or involvement in a product liability case, significant expenses may be incurred in litigation. There is no assurance that we will not encounter product recalls or product liability losses in the future. The occurrence of a product recall, product liability claim, or adverse regulatory action has the potential to adversely affect our reputation, brand image, and result in substantial costs, impacting our business, operational results, and financial condition. **However, the company has not experienced any past instances of product recalls or product liability claims.**

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

Our Company has entered into certain transactions with our related parties. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that more favorable terms could not have been achieved had such transactions not been entered into with related parties. We confirm that all related party transactions as disclosed in Restated Financial Statements have been, conducted in compliance with the Companies Act, 2013 and all other applicable laws and regulations. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For details on the transactions entered by us, please refer to “Related Party Transactions” beginning on page no. 227 of this DRHP

28. Our insurance coverage does not adequately protect us against losses (including damages or loss caused to the Products), and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.

Our insurance policies may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption, losses in transit, natural disasters etc. because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations. However, no claims have been filed with any insurance provider over the past three financial years, and there have been no instances where the insurance coverage was exceeded or utilized for claim purposes.

29. We are exposed to the risk of delays or non-payment by our customers and other counterparties, which may also result in cash flow mismatches.

We may be subject to working capital risks due to delays or defaults in payment by customers, 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.

We are exposed to counterparty credit risk in the usual course of our business dealings with our customers or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment by our customers, or non- performance by our business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows. **However, the company has not experienced any past instances of delays or defaults in payments by customers or counterparty non-performance.**

42. We have not been able to obtain certain records of the educational qualifications of a Director.

Mr. Sunil Talwar has confirmed to us that he holds a Bachelor's Degree in Science and a Master of Business Administration (MBA) in Finance from Devi Ahilya University, Indore. However, Mr. Talwar is unable to locate the original certificates for these educational qualifications. Neither our Company nor the Book Running Lead Managers (BRLM) have been able to independently verify these details. As a result, the qualifications of Mr. Talwar have not been disclosed in the Draft Red Herring Prospectus (DRHP). There is no guarantee that the relevant documents related to his qualifications will be found in the future, if at all.

43. Pending Legal Proceedings Under the Essential Commodities Act and Fertilizer Control Order

The Company has been subject to actions initiated by the Agriculture Officer and Fertilizer Inspector under the Essential Commodities Act and the Fertilizer Control Order. These proceedings are currently pending adjudication before the Hon'ble Court. Any adverse outcome in these matters could potentially impact the Company's operations, reputation, or financial position. Prospective investors should consider this pending litigation when evaluating the risks associated with an investment in the Company.

44. Past SEBI Inquiries against Promoters could affect the Company's reputation, financial stability and future Prospects.

In the past, inquiries were initiated by the Securities and Exchange Board of India (SEBI) against our promoters, Mr. Mohit Airen and Mr. Alok Gupta, being preferential allottees for Dhyana Finstock Limited. It was alleged that the company and persons in charge of its affairs created preferential allotment of shares as a mode to provide fictitious long term capital gains to its Preferential Allottees and Promoter related entities so as to convert their unaccounted income into accounted one. Both Mr. Mohit Airen and Mr. Alok Gupta, being preferential allottees were also named under the said inquiry as beneficiary. However, on conduct of examination no adverse evidence was found against the director and the inquiry was ultimately revoked by SEBI in its order WTM/MPB/EFD-1-DRA-I/168 /2018 dated April 24, 2018, on the grounds of insufficient evidence. The Company was not involved in any capacity in these inquiries.

While these inquiries have been closed, there is no guarantee that similar regulatory investigations or inquiries will not arise in the future. Such actions, if initiated, or any subsequent legal or regulatory issues involving our Directors, could adversely affect the Company's reputation, financial stability, or future business prospects.

45. Delays in filing our Annual Returns and Audited Annual Financial Statements

There has been a delay in the filing of Annual Returns and Financial Statements for the financial year 2023-24. Additionally, our Company has not filed Form MGT-7 for the

same financial year within the stipulated timeline.

As of the date of this Draft Red Herring Prospectus, no legal proceedings or regulatory actions have been initiated against our Company regarding these instances of non-compliance, delayed filings, or any incorrect submissions with the Registrar of Companies (RoC). However, we cannot assure you that such proceedings or actions will not be initiated in the future, nor can we guarantee that penalties will not be imposed by the relevant regulatory authorities.

If monetary penalties or other punitive actions are imposed, it could have an adverse effect on our business, financial condition, and results of operations.

46. Construction of the Proposed Warehouse on Subsidiary's Land

The proposed warehouse construction, a key component of the Company's growth strategy, is planned to be built on land owned by one of its subsidiaries. This arrangement presents certain risks, primarily stemming from inter-company dependencies. Any changes in the subsidiary's ownership structure, management, or financial stability could impact the availability and usage of the land for the warehouse. Additionally, compliance with regulatory requirements, such as zoning laws and environmental regulations, may result in delays or complications during the construction phase.

Another concern is the lack of a formal rental agreement between the subsidiary and our company regarding the land. Operational disruptions or disagreements between our company and the subsidiary could further hinder the intended use of the warehouse. Moreover, any financial instability or legal challenges within the subsidiary could adversely impact the success of this investment.

To mitigate these risks, we have obtained the subsidiary's consent to ensure continued access to and control over the land for the warehouse. This consent provides a level of clarity and stability, though formalizing this arrangement through a binding agreement, such as a lease or memorandum of understanding, would further reduce uncertainties related to the project.

47. Legal Proceedings and Potential Recurrences

The Issuer has previously been involved in legal proceedings related to allegations regarding the quality of its fertilizer products. FIRs were filed by the Farmer Welfare & Agriculture Development Department, both claiming that the fertilizer samples were "Non-Standard" based on the initial analysis. However, subsequent retesting of the second sample confirmed its compliance with the required quality standards.

Although no further actions, penalties, or notices were received by Company, such incidents highlight potential risks to the Company's operations, reputation, and financial stability. Similar legal or regulatory challenges may arise in the future, potentially leading to further scrutiny, additional costs, or delays in business operations. The Company has taken appropriate steps to mitigate these risks, including ensuring compliance with regulatory standards and taking swift corrective actions when necessary.

48. Impact of on ongoing Litigations on the Company

Our Company is currently involved in several ongoing litigations, the details of which are outlined in the "Outstanding Litigation and Material Developments" section of this Draft Red Herring Prospectus (DRHP). Furthermore, under applicable law, The Company or any Promoter found to be in contravention of certain orders may be subject to penalties, not limited to monetary may also involve imprisonment for a term of not less than three months, which may extend to seven years, along with the possibility of a fine.

Any negative outcomes in these litigations, including the imposition of penalties or punishments as described above, could have a material adverse effect on our business operations, financial condition, reputation, and overall results of operations.

CHAPTER - III – INTRODUCTION CAPITAL STRUCTURE

Details of Promoters' Contribution and Lock-in for Three Years

7. Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Offer Equity Share Capital held by our Promoter shall be considered as promoter's contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the 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.

Details of the Equity Shares forming part of Promoters' Contribution and his lock-in details are as follows:

Date of Allotment/transfer/ made fully paid up	Nature of acquisition	Number of Equity Shares	Face Value per Equity Share (₹)	Offer price per Equity Share (₹)	% Of Pre-Issue Equity Share Capital	% Of Post- Issue Equity Share Capital	Lock-in Period
				[●]			
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total		[●]	[●]	[●]	[●]	[●]	-

All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer chapter “History of Paid-up Share Capital of our Company”

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of ineligible shares including the following:

- i. The Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, or bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution;
- ii. The Equity Shares acquired during the year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;
- iii. The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- iv. Equity Shares allotted to our Promoter(s) during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue, upon conversion of a partnership firm or a limited liability partnership into the Company in the past one (1) year and such allotment is not against the capital existing in such firms for a period of more than one year on a continuous basis.
- v. Specific written consent has been obtained from the Promoters for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum [●] % of post issue Paid-up Equity Share Capital from the date of allotment in the public Offer.
- vi. The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI (ICDR) Regulations. The Promoters' Contribution constituting [●] Equity Shares which is [●] % of the post issue capital shall be locked-in for a period of three

- years from the date of Allotment of the Equity Shares in the Issue.
- vii. We further confirm that our Promoters' Contribution of 20% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.
 - viii. Our Company has not been formed by conversion of a partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and the Equity Shares held by our Promoters and offered as part of the Minimum Promoter's Contribution are not subject to any pledge.
 - ix. The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge.
 - x. Our Promoter's Contribution of 20% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance
 - xi. ~~Except as detailed herein above,~~ As on the date of this Draft Red Herring Prospectus, the Equity Shares held by our Promoter(s) are in dematerialized form.

CHAPTER - IV - PARTICULARS OF THE OFFER

OBJECT OF THE OFFER

DETAILS OF UTILIZATION OF THE NET PROCEEDS

1. Funding capital expenditure requirement for Construction of a warehouse, installation of EOT Crane and upgradation of certain equipment.

Our Board in its meeting dated September 26, 2024 took note that an amount of ₹ 1,287.90 Lakhs is proposed to be utilised for Funding of capital expenditure requirements of our company

Rationale for the capex / upgradation

As part of our business strategy and with a view of expanding our inventory capacity, primarily for finished goods, for Single Super Phosphate (SSP), NPK Granulated & Mixed Fertilizers and Zinc Sulphate, our company proposes to construct a warehouse at our subsidiary's Factory premises at Near Railway Line, 24-25A, AB Road, Industrial Area, Dewas - 455 001, (Madhya Pradesh), which has been rented out to Balaji Phosphates Limited, thereby increasing the storage capacity by 8381.5 MT. In addition to this, our company proposes to install EOT crane and replace the feed hopper assembly line, along with replacement of outdated equipment, bringing in more efficiency in the production process.

The current production capacity and available machinery are expected to become bottlenecks in the coming years. One key reason for this is the cyclical nature of our business, coupled with insufficient storage capacity, which has often forced the company to procure raw materials at higher prices during peak seasons to meet customer demand. Additionally, the manufacturing process for SSP and other fertilizers involves the use of corrosive chemicals, which has caused significant wear and tear on metal-based equipment. This has led to frequent maintenance, reduced operational efficiency, and shorter equipment lifespan. The metal-based machinery is also more susceptible to corrosion, resulting in increased downtime and higher operational costs.

Proposal for the upgradation

Considering the above, our Company proposes the following upgradation plan to enabling the company to improve performance:

Building of warehousing - Our company operates in a cyclical business environment where the demand for finished goods peaks during certain seasons. To better manage this, we can capitalize on lower raw material prices during the non-peak season, allowing us to manufacture and stock finished goods in advance for timely supply during high-demand periods. In line with this strategy, we propose to enhance our warehousing capacity from existing 5,000 MT to 13,381.5 MT i.e. increasing capacity by 8,381.5 MT. This increased capacity will enable us to store more finished goods, allowing us to better navigate seasonal fluctuations in both demand and raw material prices. By procuring raw materials at lower costs during the off-season, we anticipate a positive impact on our bottom line, as reduced procurement costs will help improve margins. The company expects, based on estimates provided, the construction to be completed within six months from receipt of IPO proceeds. No government approvals are required for the construction of the warehouse, other than local construction permits from the Municipal Corporation. These permits are typically processed quickly and will be obtained once construction commences.

Furthermore, we plan to construct this warehouse on our subsidiary's factory premises at 24-25A, AB Road, Industrial Area, Dewas - 455 001, (Madhya Pradesh), which we have rented, rather than opting for third-party rental storage. This investment will not only enhance storage capacity but also contribute to better cost management and efficiency in meeting customer demand.

Basis of estimation of working capital requirement

(₹ in lakhs)		
Particulars	FY25 (Estimated)	FY26 (Projected)
CURRENT ASSETS		
Trade Receivables	3,205.54	3,892.06
Inventories	3,158.59	4,129.85
Raw Materials	356.17	334.80
Consumables	59.90	70.39
Work-in-Progress	783.58	878.85
Finished Goods	1,958.94	2,845.81
Other Financial Assets	210.00	220.00
Other Current Assets	300.00	300.00
Total Current Assets (A)	6,874.13	8,541.91
CURRENT LIABILITIES		
Trade Payables	931.28	1,103.12
Other financial Liabilities	20.00	20.00
Other Current Liabilities	400.00	400.00
Provision for Taxation	264.00	439.00
Total Current Liabilities (B)	1,615.28	1,962.12
Working Capital Requirement (A-B)	5,258.86	6,579.78
Net Proceeds from IPO**	620.00	1,280.00

Short Term Borrowings	1,900.00	1,900.00
Internal Accruals/Net Worth	2,738.86	3,399.78#

**Pursuant to certificates dated September 25, 2024 issued by our Statutory Auditors M/s. MPV & Company, Indore and M/s. Bagaria & Co LLP, Mumbai Chartered Accountants*

*** Company is expecting utilisation of ₹ 620.00 lakhs in FY 2024-25 and remaining amount i.e. ₹ 1,280.00 lakhs (₹ 1,900.00 Lakhs Working Capital requirement reduced by utilized amount till previous year i.e. ₹ 620.00 lakhs) in FY 2025-26. Moreover, working capital requirement is calculated based on statement of assets and liabilities as on March 31, 2024. Utilisation of working capital disclosed in the table is based on closing balances.*

#inclusive of IPO Proceeds used during FY 2025.

OTHER CONFIRMATION

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors or Key Management Personnel in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

The issuer is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of this DRHP

There are no other agreements / arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document

There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

No material clause of Article of Association have been left out from disclosure having bearing on the IPO/disclosure.

There are no conflicts of interest between the suppliers of raw materials, third-party service providers crucial to the operations of the company, and the company itself, its Promoter, Promoter Group, Key Managerial Personnel, Directors, and its subsidiaries or Group Companies and their respective Directors.

The company intends to build a warehouse which is essential for the company's operations on the premises of its subsidiary, Jyoti Weighing Systems Private Limited. However, there is no conflict of interest between the lessor of the immovable property, and the company, its promoters, promoter group, key managerial personnel, directors, subsidiaries, group companies, and their directors.

CHAPTER V – ABOUT THE COMPANY

OUR BUSINESS

PRODUCT SALES:

(₹ in Lakhs, except stated in %)

Category	FY 2023-2024		FY 2022-2023		FY 2021-22	
	Amount	% of total sales	Amount	% of total sales	Amount	% of total sales
SSP	11,626.42	76.72%	10,893.25	75.36%	8416.23	68.06%
NPK	20.57	0.14%	77.62	0.54%	134.57	1.09%
ZINC SULPHATE	165.36	1.09%	59.27	0.41%	260.44	2.11%
ZINC ASH	-	0.00%	162.5	1.12%	22.76	0.18%
DAP, POTASH, UREA, GYPSUM,	6.04	0.04%	-	0.00%	96.1	0.78%
FREIGHT INCOME	-	0.00%	0.2	0.00%	-	0.00%
SCARP SALE	-	0.00%	-	0.00%	0.03	0.00%
WEIGHBRIDGE & THEIR PARTS	3,036.30	20.04%	2,997.72	20.74%	3,204.98	25.92%
REPAIR & MAINTENANCE	299.93	1.98%	263.69	1.82%	230.23	1.86%
TOTAL	15,154.63	100.00%	14,454.24	100.00%	12,365.34	100.00%

PROCUREMENT PROCESS:

Our procurement process for raw materials involves sourcing both domestically and internationally. Rock phosphate, a key ingredient in SSP and GSSP, is both procured domestically and imported from countries such as Jordan, Morocco, Egypt, and Gulf states. Additionally, we procure beneficiated rock phosphate (BRP) locally. Another essential raw material, sulfuric acid, is sourced from local suppliers in Madhya Pradesh.

SALES PROCESS:

Initially, purchase entries are recorded on the IFMS portal, followed by production entries. Subsequently, products are dispatched to wholesalers and retailers, with entries are logged accordingly. We basically serve two main categories of customers: wholesalers and retailers.

Wholesalers confirm their purchases using POS machines, from which they later distribute products to retailers. At the retail level, sales to end users (farmers) are acknowledged via POS machines, which also capture thumbprints for authentication.

The subsidy calculation is automated within the IFMS portal, and once validated, subsidies are transferred directly to our bank account. This cycle occurs on a weekly basis, structured around specific date ranges: 1-7, 8-15, 16-23, and the month-end date.

Overall, this systematic approach ensures efficient subsidy management and transparent transactions across the fertilizer supply chain, benefiting both the company and our customers.

Our selling strategy for retailers is multifaceted and involves the following key approaches:

Cold Calling & Personal Networking:

We engage in cold calling and leverage personal networking and try to initiate contact with potential retail clients and engage with them to effect sales by generating leads. This approach is complemented by a strong team of sales and marketing team along with agents on street to convert the leads generated through cold calling and personal network into sales and also focus on building long-term relationships with retailers, which will help us to get repeated orders.

Referrals through existing Relationship

A significant portion of our sales is driven by word-of-mouth referrals from existing retailer (Farmer), Sarpanch (Mukhiya), Gram Panchayat committee members, Committee members of various societies and NGO's and farmer education programmes conducted by government and bank who in turn promote our product to farmers , and our partners. Our reputation in the market, built over years has helped foster trust and credibility which helps us attract new retail clients and created repeated sales through the said clients.

Sales Platforms:

We leverage online platforms by listing ourselves as suppliers of fertilizers on portal of Madhya Pradesh Governments markfed, to connect with retailers. We explore digital tools to engage with potential clients and promoter our products by showcasing on our website.

RAW MATERIAL

Currently, the raw materials are sourced from local markets as well as imported from various countries, including Jordan, Morocco, Egypt, and other Gulf countries.

The required raw materials for manufacturing Single Super Phosphate (SSP) in powder form and Granulated Single Super Phosphate (GSSP) are as follows:

A. Rock Phosphate

We are using two types of rock phosphate material.

- i. CRP (Crushed Rock Phosphate): We procure CRP domestically and import CRP material directly from various countries such as Jordan, Morocco, Egypt and other gulf countries.

- ii. **BRP (Beneficiated Rock Phosphate):** The BRP material is primarily sourced from domestic supplier.

B. Sulfuric Acid

- iii. The Sulfuric acid which is one of the raw materials for the manufacturing of fertilizers is sourced from local markets in Madhya Pradesh

Raw Material Purchase Bifurcation for the Last Three Years:

Below is the detailed bifurcation of raw material purchases for the last three years:

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Purchase	%	Purchase	%	Purchase	%
Domestic Purchases	70,97,20,012	96%	70,83,75,990	73%	44,21,89,746	65%
Overseas Purchases	3,03,24,946	4%	25,74,90,578	27%	23,29,60,207	35%
Total	74,00,44,958	100%	96,58,66,568	100%	67,51,49,953	100%

PLANT AND MACHINERIES

Details of Plant and Machinery in Fertilizers Vertical:

These assets are fully under the ownership and control of the company, and no portion of the plant and machinery is subject to third-party lease agreements

Sr. No.	Single Super Phosphate	NPK Mix	Zinc Sulphate
1	RM Hopper	RM Hopper	Reactor
2	RM Belt	RM Belt	Mud Washer
3	Ball Mill	Feeding Belt	Settling
4	Scruve Convere No-1	Granulation Drum	Filter
5	Elevetor No-1	Dryer Drum	Crystlizer No-1
6	Sallow	Oil Furness	Crystlizer No-2

Sr. No.	Single Super Phosphate	NPK Mix	Zinc Sulphate
7	Scruve Convere No-2	Dc Belt No-1	Centifuge No-1
8	Elevetor No-2	Dc Belt No-2	Centifuge No-2
9	GR HOPPER	Cooler Drum	Mother Liquid Tank
10	Feeding Belt	Over Size Screen Belt	Amonia Compressure
11	Mixer	Over Size Screen	Condansure
12	Den	Under Size Screen	Chilling Tank
13	Green Belt	Recycle Belt No-1	Mono Dryer
14	Settle Belt	Recycle Belt No-2	Scruve Convere
15	Ventury	Production Hopper	Boiler
16	Tower (Scrubbing)	Production Belt	Mono Dryer Fan
17	Cyclone (Scrubbing)	Dryer Cyclone	Mono Dryer Chimney
18	ID FAN	Cooler Fan	Boiler Chimney
19	Chimney	Chimney	
20	Acid Storage Tank-3	Cooler Cyclone	
21	Acid Service Tank-2		
22	Water Tank -1		
23	ETP		

HUMAN RESOURCE

Our management team is experienced and based on their understanding of industry trends, they help the Company exploring and capitalising new opportunities for business growth. The company carries out regularly the assessment of specific skill-sets, interests and background that would be an asset for its kind of business. The manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Apart from permanent employees, we also employ contractual labour for our manufacturing activities.

The Trend in the attrition rate of employees of the company over the period of the last 3 financial years is as follows:

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Attrition Rate	5%	5.98%	7.48%

Employee Training:

We conduct employee **training on a quarterly basis**. Our training programs are designed to enhance employee skills, improve performance, and ensure alignment with the company's evolving needs. These training initiatives cover various areas, including technical skills, soft skills, leadership development, and product knowledge

OUR MARKET

We market our products through two channels.

A. Through MARKFED (MP state co-operative Marketing Federation Limited) tender offer:

Presently, the Company markets its product through tender of MARKFED (An undertaking of M.P. Government). The MARKFED sells our products through their agriculture societies spread all over Madhya Pradesh and Chhattisgarh.

B. Through Different dealers:

We offer our products through the network of wholesalers and retailers spread over whole of Madhya Pradesh, Chhattisgarh, Maharashtra, and Telangana".

Details of Number of Wholesalers in last three Financial Years are as follows:

State	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Chhattisgarh	7	26	29
Madhya Pradesh	66	49	58
Maharashtra	19	30	33
Telangana	0	0	4

Fertilizers are essential for agriculture industry as they replenish the nutrients in the soil that are depleted by successive crop harvests. They provide vital elements like nitrogen, phosphorus, and potassium, which promote plant growth, enhance crop yields, and improve the overall quality of agricultural produce. Farmers remain the end users as they apply fertilizers to their fields to ensure optimal soil health and maximize crop productivity.

HISTORY AND CERTAIN CORPORATE STRUCTURE

DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS

Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business/ undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the 10 years preceding the date of this Draft Red Herring Prospectus:

Acquisition of Jyoti Weighing Systems Private Limited

Our Company had entered into a share purchase agreement dated 05th October 2020 with erstwhile shareholders of Jyoti Weighing Systems Private Limited pursuant to which our Company agreed to Purchase 5,50,000 equity shares of Jyoti Weighing Systems Private Limited representing 100% of the equity share capital of Jyoti Weighing Systems Private Limited on a fully diluted basis for an aggregate consideration of ₹7.48 Crore.

OUR MANAGEMENT

BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

3.	Name	Mr. Sunil Kumar Talwar
	Father's Name	Mr. Devendra Kumar Talwar
	Residential Address	602, nilgiri apartment Kalindi mid-town bypass road bicholi mar dana, Indore- 452 016 Madhya Pradesh
	Date of Birth	06/05/1954
	Age	69 years
	Designation	Executive Director
	DIN	10105902
	Occupation	Director
	Nationality	Indian
	Qualification	original educational certificates are not traceable and hence no disclosures are made
	Brief Biography	Sunil Talwar was appointed as a Director of the Company on April 8, 2023, to oversee the marketing function. He brings with him experience in the marketing of fertilizers. Prior to his appointment as Director, Mr. Talwar had been associated with the Company for the past 7 years in the capacity of a consultant.
	Date of Appointment	08-04-2023
	Date of Change in Designation	N.A.
	Terms of Appointment	As mentioned in Engagement / Appointment Letter
	Current Term	March 8, 2024 till March 8, 2029
4.	Duration	Appointed for Five Years
	Directorship in other companies	N.A.
	Name	Ms. Aashi Neema
	Father's Name	Mr. Purshottam Neema
	Residential Address	502, Monarch Oasis 25-A Scheme No 71 C, Indore,- 452 009 Madhya Pradesh
	Date of Birth	02/09/1999
	Age	25
	Designation	Non-Executive Independent Director
	DIN	10149905
	Occupation	Director
	Nationality	Indian
	Qualification	Company Secretary,

	Brief Biography	Aashi Neema holds membership of Institute of Company Secretaries of India and also has earned her Bachelors in Commerce. She has an overall Post qualification experience of approximately Three Years. She is playing vital role in formulating business strategies and advising effective implementation of the same. Her leadership abilities have been instrumental in guiding the core team of our Company. She has handled Business operations for many small ventures and has hands on experience in managing Human resource, brand building, brand development, marketing and compliance.
	Date of Appointment	08/05/2023
	Date of Change in Designation	NA
	Terms of Appointment	As mentioned in Engagement / Appointment Letter
	Current Term	May 8, 2023 till May 8, 2028
	Duration	Appointed for Five Years
	Directorship in other companies	NA

TERMS OF APPOINTMENT & REMUNERATION TO EXECUTIVE DIRECTORS

• Managing Director

Mr. Mohit Airen is Director since September 16, 2013 of the Company. He was re designated as the Managing Director of our company with the effect from May 08, 2023 for a period of five (5) years. The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 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).

TERMS OF APPOINTMENT

1. *Approval of Remuneration and Benefits- Rupees 2,85,000/- (Rupees Two lac eighty-five thousand per month, in the scale of Rs. 2,85,000- to Rs. 3,00,000/- per month, with such annual Increments/Increases as may be decided by the Board of Directors from time to time.*
2. *Annual performance incentive including Limit on Performance incentive: Not exceeding five times the fixed salary payable for each financial year, subject to such ceilings as may be set out in the Act, if any, and subject to such ceiling as may be fixed by the Board of Directors from time to time. The amount of performance incentive shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.*
3. *The managing director shall be entitled at any time to resign office as managing director after giving the company at least ninety days' notice in writing in that behalf*
4. *Non-Financial Benefits: The shareholders endorse the provision of non-financial benefits, including retirement and health benefits, to the executive directors on terms and conditions consistent with those provided to other senior executives or in accordance with the company's policies and regulations.*
5. *Gratuity- Rate of one month salary for each year of services.*

- **Executive Director**

Mr. Alok Gupta is director since September 16, 2013 of the Company. His terms and remuneration is approved by shareholder meeting dated 08th March 2024 after the company get converted from private to public limited. The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 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

TERMS OF APPOINTMENT

1. *Approval of Remuneration and Benefits: The shareholders approve the remuneration of Rs. 1,20,000/- (One lac twenty thousand) per month including base salary, performance bonuses, stock options, and other benefits, for the executive directors as proposed by the Board of Directors in its board meeting.*
2. *Performance Incentives: The shareholders authorize the Board of Directors to establish performance-based incentives and bonuses for the executive directors, subject to the achievement of pre-determined strategic and financial targets, with the aim of enhancing the company's performance and shareholder value.*
3. *Long-Term Incentive Plans: The shareholders approve the implementation of long-term incentive plans, such as share option schemes or restricted stock awards, for the executive directors, designed to promote long-term sustainability and growth of the company.*
4. *Non-Financial Benefits: The shareholders endorse the provision of non-financial benefits, including retirement and health benefits, to the executive directors on terms and conditions consistent with those provided to other senior executives or in accordance with the company's policies and regulations.*
5. *Termination and Severance: The shareholders authorize the Board of Directors to determine the terms and conditions of termination and severance packages for the executive directors, taking into account the applicable legal requirements and the best interests of the company, and in accordance with the relevant employment contracts or agreements.*
6. *Reporting and Disclosure: The shareholders direct the Board of Directors to ensure full and transparent disclosure of the remuneration and benefits of the executive directors in the company's annual reports and other relevant filings, in compliance with the applicable laws, regulations, and governance standards.*
7. *Retirement by Rotation: As per section 152 (6) of Companies Act, 2013 Directors of public Company are liable to be retired by rotation at every annual general meeting and such provision shall be applicable on Mr. Alok Gupta.*
8. *Any Other Business: The shareholders authorize the Board of Directors to take such further action and execute such other documents as may be necessary or desirable to implement the foregoing resolution*

Mr. Sunil Kumar Talwar is appointed for 5 years as director on 08 April, 2023 as executive director of the company. His terms and remuneration are approved by shareholder meeting dated 08 March, 2024 after the company get converted from private to public limited. The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 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).

TERMS OF APPOINTMENT

1. *Approval of Remuneration and Benefits: The shareholders approve the remuneration is nil including base salary, performance bonuses, stock options, and other benefits, for the executive directors as proposed by the Board of Directors in its board meeting.*

2. *Performance Incentives: The shareholders authorize the Board of Directors to establish performance-based incentives and bonuses for the executive directors, subject to the achievement of pre-determined strategic and financial targets, with the aim of enhancing the company's performance and shareholder value.*
3. *Long-Term Incentive Plans: The shareholders approve the implementation of long-term incentive plans, such as share option schemes or restricted stock awards, for the executive directors, designed to promote long-term sustainability and growth of the company.*
4. *Non-Financial Benefits: The shareholders endorse the provision of non-financial benefits, including retirement and health benefits, to the executive directors on terms and conditions consistent with those provided to other senior executives or in accordance with the company's policies and regulations.*
5. *Termination and Severance: The shareholders authorize the Board of Directors to determine the terms and conditions of termination and severance packages for the executive directors, taking into account the applicable legal requirements and the best interests of the company, and in accordance with the relevant employment contracts or agreements.*
6. *Reporting and Disclosure: The shareholders direct the Board of Directors to ensure full and transparent disclosure of the remuneration and benefits of the executive directors in the company's annual reports and other relevant filings, in compliance with the applicable laws, regulations, and governance standards.*
7. *Retirement by Rotation: As per section 152 (6) of Companies Act, 2013 Directors of public Company are liable to be retired by rotation at every annual general meeting and such provision shall be applicable on Mr. Sunil Kumar Talwar.*
8. *Any Other Business: The shareholders authorize the Board of Directors to take such further action and execute such other documents as may be necessary or desirable to implement the foregoing resolution.*

REMUNERATION PAID TO EXECUTIVE DIRECTORS DURING PRECEDING FY 2022 -23 AND FY 2023-2024

Name of the Directors	FY 2022-23 Amount (₹ in lakhs)	FY 2023-24 Amount (₹ in lakhs)
Mohit Airen	52.20	52.20
Alok Gupta	34.60	32.40
Sunil Talwar	Nil	Nil

*Sunil Talwar was appointed on April 8, 2023 for the first time in the board of company.

Other than the aforementioned remuneration, our Executive directors is not entitled to any other compensation or benefits.

PAYMENT OR BENEFIT TO NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS OF OUR COMPANY

Non-Executive Director- Aashi Neema, Ms. Nupur Lodwal, Ms. Sweena Gangwani

1. *Approval of Remuneration and Benefits: The shareholders approve the remuneration is 5,000 to 6,000 per meeting (but not exceeding 60,000 annually), for the non-executive directors as proposed by the Board of Directors in its board meeting.*

2. *Term of appointment:- 5 years*
3. *Commission:- The Commission is proposed to be paid to all or any of the Non-Executive Directors including Independent Directors in proportion to the number of meetings of the Board and/or Committees thereto attended by the respective Non-Executive Director(s) during the relevant financial year, or in such other manner as may be decided by the Board of Directors of the Company and permitted under the Companies Act and the SEBI Listing Regulations on a financial year basis. No sitting fees or commission was paid by our Company to any Independent Directors in Financial Year 2022-2023 and Financial Year 2023-24.*

Changes in Our Company's Key Managerial Personnel during the last three (3) years

Changes in our Key Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below: The Company has appointed following person as KMP.

Name of KMP	Event	Date of change	Reasons for Change
Mr. Mohit Airen	Appointment as Managing Director	08/05/2023	<i>Mohit Airen was initially appointed as a director of the company on 16th September 2013. Subsequently, based on his qualifications and experience, the members of the company decided to appoint him as the Managing Director.</i>
Mr. Ravindra Chaurishi	Appointment as Chief Financial Officer	08/05/2023	<i>To meet regulatory requirements.</i>
Ms. Disha Soni	Appointment as Company Secretary and Compliance Officer	08/05/2023	<i>To meet regulatory requirements.</i>
Ms. Disha Soni	Cessation as Company Secretary and Compliance Officer	26/03/2024	<i>Due to her prior commitments and pre-occupied schedule.</i>
Ms. Deepika Singh	Appointment as Company Secretary and Compliance Officer	01/04/2024	<i>To Fulfil the Vacancy of Ms. Disha Soni.</i>

OUR GROUP COMPANIES

DETAILS IN RELATION TO GROUP ENTITIES:

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the top five Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years shall be hosted on their respective websites or the website of our Company as indicated below:

Sr No.	Top 5 Group Companies	Website
1	Chatak Agro India Private Limited	www. balajiphosphates.com
2	Divya Jyoti Agritech Private Limited	www. balajiphosphates.com
3	Electronics Farming Solutions Associates (E-Fasal) Private Limited	www. balajiphosphates.com
4	Divya Shakti Foods Private Limited	www. balajiphosphates.com
5	Highyield Agritech Corporation	www. balajiphosphates.com

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

The audited financial statements for the preceding three years have been uploaded on the website of our Company i.e. at <https://www.balajiphosphates.com> since there is no separate website for the group companies.

Neither our Company nor any of the Selling Shareholders nor any of the Company's, Selling Shareholder's respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the websites given above

CHAPTER VI – FINANCIAL INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from Consolidated restated profit and loss accounts for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 and the components of which are also expressed as a percentage of total income for such periods.

The Company manufactured higher quantity of finished products in FY 23 of 73,215 MT as compared to 68,656 MT in FY 22. The average sales price per ton increased from ₹6,177 in FY 21-22 to ₹8,397 in FY 22-23, thus increasing the revenue and affecting the PAT positively. The quantity produced of 72,659 MT in FY 24 remained similar to 73,215 MT of quantity produced in FY 23. The marginal increase in turnover in FY 2024 is on account of higher realisation and slight change in the elements of other cost which resulted in marginal reduction in PAT margin.

As such the primary reason for variation in sales and profit is driven by quantity produced coupled with variation in sale price and increased operational efficiency due to production of higher quantity. Besides, the variation in different elements of cost also had a bearing on the profitability.

Particulars	March 31, 2024	% of Total income	March 31, 2023	% of Total income	March 31, 2022	% of Total income
Revenue from Operations	15,154.63	99.91%	14,454.24	99.93%	12,365.34	99.63%
Other Income	13.39	0.09%	9.89	0.07%	46.38	0.37%
Total Income (I)	15,168.02	100.00%	14,464.12	100.00%	12,411.72	100.00%
EXPENSES						
Cost of Materials Consumed	10,770.14	71.01%	11,054.10	76.42%	9,749.09	78.55%
Purchase of Traded Goods	106.34	0.70%	-	0.00%	38.65	0.31%
Changes in inventories of finished goods and work-in-progress	-18.56	-0.12%	-936.5	-6.47%	-628.07	-5.06%
Employee Benefits Expense	776.09	5.12%	715.9	4.95%	651.43	5.25%
Finance Costs	301.78	1.99%	265.12	1.83%	284.42	2.29%
Depreciation and Amortization Expense	84.73	0.56%	84.41	0.58%	98.21	0.79%
Other Expenses	2,310.91	15.24%	2,453.53	16.96%	1,761.90	14.20%
Total Expenses (II)	14,331.43	94.48%	13,636.56	94.28%	11,955.43	96.32%
Profit Before Exceptional and Extraordinary items and Tax (III = I-II)	836.59	5.52%	827.56	5.72%	456.09	3.67%
Extraordinary items (IV)	-	0.00%	-	0.00%	-	0.00%

Profit Before Tax (III+IV)	836.59	5.52%	827.56	5.72%	456.09	3.67%
Tax Expense						
(1) Current Tax	237.74	1.57%	222.43	1.54%	129.24	1.04%
(2) Deferred Tax	-5.19	-0.03%	-3.63	-0.03%	7.78	0.06%
(3) Current taxes relating to earlier years	-		-	0.00%	-	0.00%
Profit for the period/year	604.05	3.98%	608.76	4.21%	319.08	2.57%
Attributable to						
Owners of the parent	604.03	3.98%	608.76	4.21%	319.07	2.57%
Non-controlling interests	0.02	0.00%	0.01	0.00%	0.01	0.00%

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on August 31, 2024, together with a brief description of certain significant terms of such financing arrangements.

(₹ in Lakhs)

Nature of Borrowings	Amount
Secured borrowings	2,916.05
Unsecured borrowings	927.24
Total	3,843.29

A. Secured Borrowings

Sr. No	Nature of Facility	Date Of Sanction	Amount Sanctioned (In Lakhs)	Security	Purpose Of Loan	Amount o/s as on 31.08.2024 Books (In Lakhs)	Current Rate of Int.
1	Axis Bank Cash Credit	30-09-2023	1,900.00	Secured by Equitable mortgage of Company's Land & Building situated at Dewas industrial area & Plot no 20&21 Irish Park, Talawali Chanda, Indore and Hypothecation of Movable assets. And personal Guarantee of the Directors.	<i>Working capital</i>	1,858.48	9.05%
2	Axis Bank Letter of Credit	30-09-2023	340	20% Cash Margin	<i>Purchase of raw material</i>	336.57	Bank Standards Charges + GST

3	Kotak Mahindra bank Ltd. Term Loan	28-02-2022	647	The amount is repayable in Monthly instalments of equal amount and secured by mortgage of Property of subsidiary company and is collaterally secured by personal guarantee of the directors of the company.	<i>Purchase Jyoti Weighing system Pvt ltd</i>	444.53	9.60%
4	Kotak Mahindra bank Ltd.	28-02-2022	48	The amount is repayable in Monthly instalments of equal amount and secured by mortgage of Property of subsidiary company and is collaterally secured by personal guarantee of the directors of the company.	<i>Working capital</i>	1.02	9.60%
5	Kotak Mahindra bank Ltd. Term Loan	16-05-2023	75	The amount is repayable in Monthly instalments of equal amount and secured by mortgage of Property of subsidiary company and is collaterally secured by personal guarantee of the directors of the company.	<i>Purchase of Plant & Machinery</i>	60.4	9.10%
6	Kotak Mahindra bank Ltd. Term Loan	31-03-2023	200	The amount is repayable in Monthly instalments of equal amount and secured by mortgage of Property of subsidiary company and is collaterally secured by personal guarantee of the directors of the company.	<i>Purchase of Plant & Machinery</i>	155.27	9.20%

7	HDFC Bank Ltd JCB Loan	13-03-2024	32	Hypothecation of JCB	<i>Motor vehicle loan</i>	28.88	9.76%
8	Kotak Mahindra Bank Limited	19-06-2024	75	Secured by a demand promissory note and a letter of continuity. Security cheques, NACH Mandate	<i>Purchase of Plant & Machinery</i>	30.9	9.60%
Total						2,916.05	

Unsecured Borrowings

As on August 31, 2024, the outstanding unsecured loans Repayable on demand from the following parties (Rs in Lakhs)

Sr. No.	Name of Person	Purpose of Loan	Outstanding as of August 31, 2024	Current Rate of Interest	Repayment Terms
1.	Axis Bank ECLGS-2	<i>Working capital</i>	115.56	9.25%	Repayable in monthly installments
2.	Yes Bank OD Limit	<i>Working capital</i>	380.00	9.65%	Repayable on demand
3.	DKG Finvest Ltd	<i>Working capital</i>	50.00	15%	Repayable on demand
4.	Oxyzo Financial Seviles*	<i>Working capital</i>	30.37	14.65%	Repayable in bimonthly installments
5.	Mohit Airen	<i>Working capital</i>	24.50	N/A	Repayable on demand
6.	Birla Sun Life	<i>Working capital</i>	25.60	12.24%	Repayable on demand
7.	Dewas Metal Sections Limited	<i>Working capital</i>	50.00	15.00%	Repayable on demand
8.	Oxyzo Financial Services	<i>Working capital</i>	101.21	14.65%	Repayable in bimonthly installments
9.	Princes Buildtech & Infrastructure Developers Private Limited	<i>Working capital</i>	50.00	15.00%	Repayable on demand
10.	Princes Apollo Realty Private Limited	<i>Working capital</i>	50.00	15.00%	Repayable on demand
11.	Swan Finance Limited	<i>Working capital</i>	50.00	15.00%	Repayable on demand
Total			927.24		

***Loans taken by the subsidiary**

Pursuant to certificates dated September 25, 2024 issued by our Statutory Auditors M/s. MPV & Company, Indore and M/s. Bagaria & Co LLP, Mumbai Chartered Accountants

**CHAPTER VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

PART-I LITIGATION RELATING TO THE COMPANY

1. FILED AGAINST THE COMPANY

a. Litigation Involving Criminal Laws – NIL

b. Litigation Involving Actions by Statutory/Regulatory Authorities-

- i. A Complaint has been filed against our company under section 12 AA (e) of Essential Commodity Act 1955 [hereinafter referred to as ‘**the Act**’] for contravention of clause 19 of the Fertilizer Control Order 1985 read with Section 3 and 7 of the Act. The brief facts that lead to complaint are as follow, that on 10/11/2020 Fertilizer Inspector [hereinafter referred to as ‘**the Complainant**’] visited and inspected the shop/sale premises of Mr Pravin S Iyapurwar who is a retailer and is selling various kinds of fertilizers, manager and salesman himself was present at the time of inspection. The complainant found that various types of fertilizers were kept for sale. The complainant drew the sample of Straight Fertilizer 00:16:00 P205(T)-16% (min), P205(ws)-14.5% (min), Zn-0.5%, B-0.2%. lot no. B-001, Month of Manufacture- August 2020, manufactured by our company. The samples were collected and sent to laboratory for checking, the results for test were received on 14.12.2020 and the result declared that the samples was not according to specifications and thus not as per prescribed standards of Fertilizer Control Order 1985. Therefore, based on the findings and analysis reports case was filed against our company offences as per clause 19(a) and 19(b) of the Fertilizer Control Order 1985 r/w Section 3 and 7 of the Act. The matter is pending adjudication before the Hon’ble Judicial Magistrate First Class, Saoli. If case during adjudication and trial the alleged violation are proved against the Company, the punishment may include penalty and/or imprisonment of Concerned officers for a term ranging from three months to seven years as per the Judgement of Hon’ble court. The amount of penalty/ punishment is not quantifiable.
- ii. As per online information available, a case bearing case no: SCC/85/2023 has been filed against our company before the Civil Judge Junior Division, Bhadrawati. The case has been filed by the Government of Maharashtra through District Quality Control Inspector. As on the date the case in pending adjudication before the Hon’ble Court at the stage of ‘Awaiting Summons’.
- iii. As per online information available, a case bearing case no: RCC/193/2023 has been filed against our company before the Civil Judge Junior Division, Georai. The case has been filed by the state of Maharashtra. As on the date the case in pending adjudication before the Hon’ble Court at the stage of ‘Appearance’.
- iv. As per online information available, a case bearing case no: SCC/7173/2020 has been filed against our company (Accused No 1) before the Chief Judicial Magistrate Nagpur. The petitioner has filed the present case under section 12 A of the Essential Commodities Act 1955 for contravention of clause 19(a) and 19(b) of the Fertilizer Control Order 1985 read with Section 3 and 7 of the ECA 1955. As on the date the case in pending adjudication before the Hon’ble Court at the stage of ‘Awaiting Summons’.
- v. A case has been filed against our company (Accused No 1) under section 12 A of the Essential Commodities Act 1955 for contravention of clause 19(a) and 19(b) of the Fertilizer Control Order 1985 read with Section 3 and 7 of the ECA 1955. The brief facts of the matter are such, the premises of M/s Mohadi Agro Agency, Mohadi (Accused No 3) was inspected and samples of Granulated Straight Fertilizer, manufactured by Accused No 1, were randomly taken for inspection. The lab analysis report declared that the samples were not according to the specifications and failed in NACSP, WSP, ZINC particle size content and was declared as Non-Standard. Thus, the petitioner in the present case has alleged contraventions of various sections of the Essential Commodities Act 1955 and filed the present suit before the Judicial Magistrate First Class Mohadi bearing case no. SCC/43/2024. As on the date the said suit is pending adjudication before the Hon’ble court at the stage of ‘Awaiting Notice’.

- vi. The Farmer welfare & Agriculture development department had filed an FIR against **M/s Balaji Phosphate Pvt. Ltd.** due to a non-standard result from an analysis report of a fertilizer sample issued by the Jabalpur laboratory.

Below is the chronological sequence of events:

Chronology of Events – FIR no. 0112 against Balaji Phosphates Limited

Date of event	Nature of event
Dec 5, 2020	Jabalpur Laboratory issued an analysis report stating the fertilizer sample was "Non-Standard."
Dec 7, 2020	Farmer welfare & Agriculture development department issued a show cause notice to the company.
Dec 14, 2020	In response to the show cause notice, the company promptly filed an application on 14 December 2020, requesting retesting of the same fertilizer sample to verify its quality.
Feb 23, 2021	Farmer welfare & Agriculture development department filed an FIR against the company on the 23 February 2021.
Mar 17, 2021	The retesting process was carried out, and the Dharampuri (Tamilnadu) Laboratory issued a new report dated 17 March 2021, confirming that the fertilizer sample met the Standard Specifications and was compliant with quality requirements.
	There is a specific order from the Ministry of Agriculture & farmers Welfare via F no. 1-2/2003 dated 15th November 2019 that FIR should not be filed on the failure of the first sample without providing an opportunity for referee analysis.
Oct 9, 2021	The company submitted a formal application to the Farmer welfare & Agriculture development department to withdraw the FIR.

The Fertilizer Control Order (FCO) explicitly states that no action should be taken against the manufacturer until one month after the initial sampling, as the manufacturer has the right to request a second sampling. In accordance with this provision, the company formally requested the Farmer welfare & Agriculture development department on 14 December 2020 to allow a re-analysis of the referee sample in its possession. However, the Farmer welfare & Agriculture development department filed the FIR on 23 February 2021, before receiving the re-analysis report, which was issued on 17 March 2021.

The retesting of the sample confirmed that the product met the required quality standards. No penalties, adverse decisions, further actions, or notices have been received by the Company on this matter. Therefore, it was deemed immaterial and did not impact the company's operations or financial position.

Similar FIR (FIR No. 0506, dated December 15, 2021) was filed due to the failure of the first sample. However, the second sample was found to be compliant. The Farmer Welfare & Agriculture Development Department has already submitted a request for the withdrawal of the FIR to the police station, dated March 28, 2023.

PART III- LITIGATION RELATING TO GROUP COMPANIES OTHER THAN CORPORATE PROMOTRES

1. CASES FILED AGAINST GROUP COMPANIES OTHER THAN CORPORATE PROMOTRES

- a. Litigation Involving Criminal Laws – **NIL**
- b. Litigation Involving Actions by Statutory/Regulatory Authorities- **NIL**
- c. Litigation Involving Tax Liabilities
 - a. Direct Tax-
 - i) **DIVYA JYOTI AGRO PRIVATE LIMITED**

As per the data available online on the Income Tax Demand Portal, one of our one of our group company Divya Jyoti Agro Private Limited has following Income Tax Outstanding Demands:-

Assessment Year	Under Section	Demand Reference No:	Outstanding Amount along with Interest
2019-2020	143 1 a	20202019	Rs. 4,23,382

Further, the group company has submitted its responses to the said demands and have disagreed with the outstanding demands raised in full. The matter is pending adjudication from the authorities.

b. Indirect Tax- **NIL**

d. Other Pending Litigation – **NIL**

PART IV- LITIGATION RELATING TO SUBSIDIARY COMPANY

1. CASES FILED AGAINST SUBSIDIARY COMPANY

a. Litigation Involving Criminal Laws – NIL

b. Litigation Involving Actions by Statutory/Regulatory Authorities- NIL

c. Litigation Involving Tax Liabilities

a. Direct Tax

i) JYOTI WEIGHING SYSTEMS PRIVATE LIMITED

Assessment Year	Under Section	Demand Reference No:	Date of Demand	Outstanding Amount along with Interest
2010-2011	154	2015201137057820241C	30.11.2015	Rs. 8,80,510
2017-2018	143(1) a	2024201840417343925C	05.07.2024	Rs. 1,08,256
2018-2019	154	2020201937016438032C	20.09.2020	Rs.5,50,880
2019-2020	154	2021202037050720334C	14.03.2022	Rs. 4,26,736

b. Indirect Tax- NIL

d. Other Pending Litigation – NIL

2. CASES FILED BY SUBSIDIARY COMPANY

a. Litigation Involving Criminal Laws – NIL

b. Litigation Involving Actions by Statutory/Regulatory Authorities- NIL

c. Litigation Involving Tax Liabilities

d. Direct Tax – NIL

e. Indirect Tax- NIL

f. Other Pending Litigation- NIL

Outstanding Dues To Small Scale Undertaking Or Any Other Creditors

As of March 31, 2024, our Company has 90 creditors, to whom an outstanding amount of ₹59.81 Lakhs is due. All of these creditors belong to the MSME category.

Government and Other Approvals

C Regulatory approvals of our Company

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1	Provident Fund Code Number	MPIND3171520000	Employees' Provident Fund Organization, Ministry of Labour and Employment, Government of India	February 12, 2024	Valid till cancelled
2	ESIC –Registration Code	18000508680000301	Employees State Insurance Corporation, Ministry of Labour and Employment, Government of India	January 5, 2024	Valid till cancelled
3	Registration Certificate – under the Indore M.P, Shops and Establishment Act, 1954	INDO230425SE013676	Department of Labour, Indore	April 05, 2024,	Valid till cancelled
4	UDYAM Registration Certificate	UDYAM-MP-23-0003265	Ministry of Micro, Small and Medium Enterprises, Government of India	November 07, 2023	Valid till cancelled
5	Importer Exporter Code	1510000534	Ministry of Commerce and Industry Directorate General of Foreign Trade	May 20, 2010	Valid till cancelled
6	Indian Standards IS 8249: 2019	3146952	Bureau of Indian Standards	September 30, 2023	September 30, 2024
7	Factory License	30/13858/DWS/2M (1)	MP Factories Rules 1962	November 28, 2023	December 31, 2024
8	Pollution Control	10333	M.P Pollution Control Board	December 10, 2022	November 30, 2026

9	Fire NOC	6100013041	Office of Commissioner/Fire Office, Dewas	March 01, 2024	Valid till cancelled
10	Pollution Control/ Consent Order	10333	M.P Pollution Control Board	<i>December 10, 2022</i>	<i>November 30, 2026</i>
11	Environment Clearance for Expansion of SSP/GSSP Fertilizer	7642/SEIAA/2015	State Level Environment Impact Assessment Authority (SEIAA)	<i>November 13, 2015</i>	NA
12	Legal Metrology	RS/437/2920/1444/2024	Controller of Legal Metrology	<i>February 28, 2024</i>	NA
13	Authorisation Letter for Storing and Distributing Fertilizers Single Superphosphate	137	Directorate of Farmer Welfare And Agriculture Development	<i>July 07, 2009</i> <i>Renewal Date:</i> <i>September 07, 2021</i>	<i>September 26, 2026</i>
14	Authorization Letter for Sale of Fertilizers in Andhra Pradesh	KNL/29/ADDL.DA/FW/2015/16351	Additional Directorate of Agriculture, Andhra Pradesh	<i>April 22, 2015</i>	<i>April 21, 2026</i>
15	Authorization Letter for Sale of Fertilizers in Chhattisgarh	CGFLWS11561	Directorate of Agriculture, Chhattisgarh	<i>March 29, 2014</i>	<i>March 28, 2025</i>
16	Authorization Letter for Sale of Fertilizers in Maharashtra	LCFD100721	Director Of Agriculture (Input & Quality Control) Pune	<i>July 20, 2021</i>	<i>July 19, 2026</i>
17	Authorization Letter for Sale of Fertilizers in Telangana, Hyderabad	RRD/15/ADDL.DA/FW/2015/16189	Director Of Agriculture Telangana, Hyderabad	<i>July 17, 2015</i>	<i>July 16, 2026</i>

OTHER REGULATORY AND STATUTORY DISCLSOURES

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY ARIHANT CAPITAL MARKETS LIMITED

TABLE 1

Sr. No.	Issue Name	Type of IPO	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	RBZ Jewellers Limited	Main Board	100	100	December 27, 2023	100.00	86.68% [2.67%]	43.97% [2.74%]	29.96% [18.66%]
2.	Organic Recycling Systems Limited	SME	50	200	October 6, 2023	215.00	31.94% [15.11%]	10.63% [33.15%]	-6.29% [54.94%]

CHAPTER X – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

A) Material documents for the Offer

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated July 02, 2024 in relation to the Offer and other related matters.
3. Shareholders' resolution dated August 01, 2024, in relation to the Offer and other related matters.
4. Consents letter of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Book Running Lead Manager, Legal Advisor to the Offer, the Registrar to the Offer, Underwriter to the Offer, Bankers to our Company, Market Maker and Banker to the Offer to include their names in this Draft Red Herring Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated September 11, 2024 on Restated Financial Statements of our Company for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022.
6. The Report dated September 25, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
7. Due Diligence Report (Search Report) dated September 24, 2024 issued by Mr. Ashish Karodia, Practising Company secretary.
8. Copy of approval from NSE vide letter dated [●] to use their name in the Offer document.
9. Copies of Quotations from Patel consultants, Ganpati Engineering Works and A One Enterprise.
10. Due diligence certificate dated [●] issued by the Book Running Lead Manager to the Offer.
11. Certificate on KPI's issued by Peer Review Auditor dated September 25, 2024.
12. Copies of the annual report of our Company for the financial year ended as on March 31, 2024, March 31, 2023 and March 31, 2022.
13. Board Resolution dated September 26, 2024 for the approval of this Draft Red Herring Prospectus
14. Resolution of the Audit Committee dated September 26, 2024 approving KPI in the list of Material documents in the RHP.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Name and Designation	Signature
Mr. Mohit Airen (DIN: 00326470) Managing Director	Sd/-
Mr. Alok Gupta (DIN: 00321894) Executive Director	Sd/-
Mr. Sunil Kumar Talwar (DIN: 10105902) Executive Director	Sd/-
Ms. Aashi Neema (DIN: 10149905) Non-Executive Independent Director	Sd/-
Ms. Nupur Lodwal (DIN: 10150318) Non-Executive Independent Director	Sd/-
Ms. Sweena Gangwani (DIN: 08852555) Non-Executive Independent Director	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Ravindra Kumar Chourishi PAN: ADSPC1636K	Sd/-
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SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY

Deepika Singh PAN: ESNPS9778A	Sd/-
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Date: January 27, 2025

Place: Indore