

SHRADHA INDUSTRIES LTD.

SHRADHA INDUSTRIES LIMITED

SHRADHA INDUSTRIES LIMITED (SIL) ("Company" or "Issuer") was Originally Incorporated on 1st January, 1990 as Shradha Distributors Private Limited under the Companies Act, 1956 with the Registrar of Companies Mumbai. Subsequently Company was converted into a public limited consequent to name change to "Shradha Industries Limited" by passing a special resolution on August 03 1994 in terms of section 44 of Companies act 1956 and received fresh certificate of incorporation on August 12 1994 issued by Registrar of Companies Mumbai. Presently, the Company is engaged in the business of Trading of items like Computers, Computer's Hardware & Accessories and all allied kind of products and is listed on the Metropolitan Stock Exchange of India Limited ("MSE"). Please refer to the title "History and Corporate Structure" on page number 40 for change in the Registered address of the company.

Registered Office: D-91, MIDC, Jalgaon – 425 001, Maharashtra, India;

Corporate Office: Shradha House, 345, Kingsway, Nagpur – 440 001, Maharashtra, India

Telephone: 91-712 - 6649395; **Website:** www.shradhaindustries.com

Contact Person: Ms. Harsha Bandhekar, Company Secretary and Compliance Officer, E-mail: shradhaindustrieslimited1@gmail.com

Corporate Identification Number: L51227MH1990PLC054825

OUR PROMOTERS: SHOBHA SUNIL RAISONI, SUNIL RAISONI, MAHENDRA GYANCHAND RAISONI

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHRADHA INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER AS ON DATE OF THIS LETTER OF OFFER

ISSUE OF 1,09,46,557 EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 15 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 5 PER EQUITY SHARE) (THE "ISSUE PRICE") FOR AN AGGREGATE AMOUNT OF ₹ 16,41,98,355 ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 44 RIGHTS EQUITY SHARE(S) FOR EVERY 5 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON WEDNESDAY, JANUARY 25 2023 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE NUMBER 110 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investments 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 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 Rights 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 Letter of Offer. Specific attention of investors is invited to the section titled "Risk Factors" on page number 19 of this Letter of Offer before making an investment in the Issue.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer 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 make this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the Metropolitan Stock Exchange of India Limited ("MSEI") (the "Stock Exchange"). Our Company has received 'in-principle' approval from the MSEI for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter dated December 28 2022 respectively. For the purpose of this Issue, the Designated Stock Exchange is MSEI. For details of the material contracts and documents available for inspection from the date of this Letter of Offer up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" on page number 136.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



Kreo Capital Private Limited

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000012689

Telephone: +91-22-41731000 / +91-712-6652070

Investor grievance E-mail: info@kreocapital.com

Website: www.kreocapital.com

Contact Person: Mr. Ayush Parakh



Skyline Financial Services Pvt. Ltd.

Registered Office: A/505, Dattani Plaza, Andheri

Kurla Road, Safeed Pool, Mumbai - 400072,

Maharashtra, India

Phone No- +91-22 62215779/ +91-22 28511022

Email: subhashdhingreja@skylinerta.com

Website: www.skylinerta.com

Contact Person: Mr. Subhash Dhingreja

SEBI Registration No. INR000003241

ISSUE PROGRAMME

ISSUE OPENS ON

LAST DATE OF ON MARKET RENUNCIATION

ISSUE CLOSES ON

THURSDAY, FEBRUARY 16, 2023

FRIDAY, FEBRUARY 24, 2023

THURSDAY, MARCH 2, 2023

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

In this Letter of Offer, unless the context otherwise requires, the terms defined, and abbreviations expanded below shall have the same meaning as stated in this section. The words and expressions used in this document but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. References to statutes, rules, regulations, guidelines, and policies will be deemed to include all amendments, replacements and modifications notified thereto as on the date of this Letter of Offer. The following list of capitalized terms used in this document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to “our Company”, “the Company” and “the Issuer”, are references to Shradha Industries Limited. References to “we”, “us” and “us” are references to Shradha Industries Limited. References to “you” are to the prospective investors in the Issue.

Notwithstanding the foregoing, terms under the sections titled “Industry Overview”, “Statement of Tax Benefits”, “Financial Statements” and “Outstanding Litigation and Other Defaults” shall have the meanings given to such terms in these respective sections/chapters.

Company Related Terms

| Term | Description |
|---|--|
| “Company”, “our Company”, “the Company”, “the Issuer”, “Shradha Industries Limited” | Shradha Industries Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office D-91, MIDC, Jalgaon – 425 001, Maharashtra, India |
| “we”, “us”, or “our” | Unless the context otherwise indicates or implies, refers to our Company |
| “Articles” / “Articles of Association” / “AoA” | Articles of Association of our Company, as amended from time to time |
| “Audit Committee” | The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and Section 177 of the Companies Act, 2013. For details, see “Our Management” on page number 47 of this Letter of Offer |
| “Audited Financial Statements” | The Audited Financial Statements of our Company as at and for the year ended March 31, 2022 prepared in accordance with Indian AS |
| “Auditors” / “Statutory Auditors” | The current statutory auditors of our Company, M/s. Paresh Jairam Tank & Co., Chartered Accountants, (ICAI Firm Registration No. 139681W). |
| “Board” / “Board of Directors” / “Our Board” | The Board of Directors of our Company or any duly constituted committee thereof, as the context may require |
| “Chief Financial Officer/CFO” | Pritam Raisoni, the Chief Financial Officer of our Company |
| “Company Secretary and Compliance Officer” | Ms. Harsha Bandhekar (ICSI Membership No. : ACS 54849), the Company Secretary and the Compliance Officer of our Company |
| “Director(s)” | The director(s) on the Board of our Company, unless otherwise specified |
| “Equity Shareholder” | A holder of Equity Shares |

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| “Equity Share(s)” | The fully paid-up equity share(s) of our Company having a face value of Rs.10 each |
| “Executive Directors” | Executive Directors of our Company, unless otherwise specified. For further information, please read “Our Management” on page number 47 of this Letter of Offer. |
| “Independent Director(s)” | The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 |
| “Key Management Personnel” / “KMP” | Key Management Personnel of our Company in terms of the Companies Act 2013 and the SEBI ICDR Regulations as described in the subsection titled “Our Management – Key Managerial Personnel” on page number 47 of this Letter of Offer. |
| “Limited Reviewed Financial Information” or “Limited Reviewed Financial Statements” or “Limited Reviewed Financial Statements” or “Limited Reviewed Financial Information” | The limited reviewed unaudited financial statements for the six months periods ended on September 30, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see “Financial Information” on page number 50, of this Letter of Offer. |
| “Memorandum” / “Memorandum of Association” / “MOA” | Memorandum of Association of our Company, as amended |
| “Promoter(s)” | The Promoters of the Company being: Shobha Sunil Raisonni, Sunil Raisonni, Mahendra Gyanchand Raisonni. |
| “Promoter Group” | The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations |
| “Registered Office” and “Corporate Office” | Registered Office: D-91, MIDC, Jalgaon – 425 001, Maharashtra, India & Corporate Office: Shradha House, 345, Kingsway, Nagpur – 440 001, Maharashtra, India |
| “Shareholders/Equity Shareholders” | The Equity Shareholders of our Company, from time to time. |
| “Stakeholders’ Relationship Committee” | The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. |

Issue Related Terms

| Term | Description |
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| 2009 ASBA Circular | The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 |
| 2011 ASBA Circular | The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 |
| Self-Certified Syndicate Bank or “SCSBs” | The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| “Abridged Letter of Offer/ ALOF” | The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act |
| “Allot / Allotment / Allotted” | Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue |
| “Allotment Date” | The date on which the Allotment is made pursuant to the Issue |
| “Allottee(s)” | The successful applicant(s) eligible for Allotment of Rights Equity Shares pursuant to the Issue |
| “Applicant(s) / Investor(s)” | Eligible Equity Shareholders and/or Renouncee(s) who are entitled to apply or have applied for Rights Equity Shares under the Issue, as the case may be |

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| -“Application” | Application made through (i) submissions of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process. |
| "Application Form" | Unless the context otherwise requires, an application form (through the website of the SCSBs (made available by such SCSBs under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue. |
| “Application Money” | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue for at the Issue Price |
| “ASBA / Application Supported by Blocked Amount” | Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account |
| “ASBA Account” | Account maintained with a SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, in case of Eligible Equity Shareholders, as the case may be |
| “ASBA Applicant(s) / ASBA Investor(s)” | As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility. |
| “Banker to the Issue” | Collectively, the Escrow Collection Bank and the Refund Banks to the Issue. |
| “CDSL” | Central Depository Services (India) Limited |
| “NSDL” | National Securities Depository Limited |
| “Common Application Form / CAF” | The application form used by Investors to make an application for Allotment under the Issue |
| “Controlling Branches” | The branches of the SCSBs which coordinate with the Registrar to the Issue, the Manager and the Stock Exchanges and a list of which is available at |
| “Depository(ies)” | NSDL and CDSL or any other depository registered with SEBI under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, read with the Depositories Act, 1996 |
| “Designated Branches” | Such branches of the Banker to the Issue i.e. ICICI Bank Limited which shall collect Common Application Form or the plain paper application, as the case may be, used by the ASBA Investors. |
| “Demographic Details” | Demographic details of Investors available with the Depositories, including address and bank account details |
| “Designated Stock Exchange” | MSEI Limited |
| “DP” | Depository Participant |
| “Draft Letter of Offer/DLOF” | This draft letter of offer dated November 26, 2022 filed with MSEI and which does not contain complete terms of the number of Rights Equity Shares proposed to be offered in the Issue in accordance with the SEBI ICDR Regulations |
| “Eligible Equity Shareholder” | A holder / beneficial owner of Equity Shares as on the Record Date |
| “Equity shares” | Equity shares of our Company of face value of Rs. 10 each |
| “FVCI(s)” | Foreign venture capital investors, as defined in and registered under the FVCI Regulations |
| “Issue Agreement” | The agreement entered into on November 24, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue |

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| "Issue" | Issue of up to 1,09,46,557 fully paid-up equity shares of face value of Rs. 10 /- each of our Company for cash at a price of ₹ 15/-(including a premium of ₹ 5/-) per Equity Share for an amount aggregating up to Rs.16,41,98,355 on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 44 Rights Equity Shares for every 5 Equity Shares held by such Eligible Equity Shareholders on the Record Date. |
| "Issue Opening Date" | Thursday, February 16, 2023 |
| "Issue Closing Date" | Thursday, March 2, 2023 |
| "Issue Price" | ₹ 15/-(Rupees fifteen only) |
| "Issue Proceeds" | The gross proceeds raised through the Issue |
| "Lead Manager" | Kreo Capital Private Limited |
| "Letter of Offer / LOF" | The final letter of offer to be filed with the Stock Exchanges after incorporating Observations received from SEBI on this Letter of Offer. |
| "Memorandum of Association"/ "MoA" | Memorandum of Association of our Company, as amended from time to time. |
| "MICR" | Magnetic Ink Character Recognition |
| "Net Proceeds" | The Issue Proceeds less the Issue related expenses |
| "NRE Account" | Non-Resident External Account |
| "NRI(s)" | An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations |
| "Non Institutional Investor(s)" | An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer |
| "NRO Account" | Non-Resident Ordinary Account |
| "NSDL" | National Securities Depository Limited |
| "MSEI" | Metropolitan Stock Exchange of India Limited |
| "OCB(s)" | Overseas Corporate Body(ies) |
| "Record Date" | Wednesday January 25, 2023 |
| "Registered office" | The Registered Office of our Company is located at D-91, MIDC, Jalgaon , Maharashtra, India-425 001 |
| "Registrar of Companies" / "Roc" | 5th Floor, 100, Everest Building, Netaji Subhash Road, Marine Dr, Mumbai, Maharashtra 400002 |
| "Registrar and Share Transfer Agent" | The registrar and share transfer agent of our Company, being, Skyline Financial Services Private Limited |
| "Registrar / Registrar to the Issue" | Skyline Financial Services Private Limited |
| "Renouncee(s)" | Any person(s) who have / has acquired Rights Entitlements from Eligible Equity Shareholders |
| "Retail Individual Investor(s)" | Individual Investors who have applied for Rights Equity Shares for an amount not more than 2,00,000 (including HUFs applying through their Karta) |

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| “Rights Entitlements / REs” | <p>The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 44 Rights Equity Shares for 5 Equity Shares held on Wednesday January 25, 2023</p> <p>The Rights Entitlements with a separate ISIN INE489B20015. will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date.</p> |
| “Rights Entitlement Letter” | Letter including details of Rights Entitlements of the Eligible Equity Shareholders |
| “Rights Equity Shares” | The fully paid-up Equity Share(s) offered in this Issue |
| “SEBI” | Securities and Exchange Board of India constituted under the SEBI Act |
| “Stock Exchange” | Stock Exchange where the Equity Shares are presently listed, being MSEI |
| “STT” | Securities Transaction Tax |
| “Transfer Date” | The date of which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| “Working Day” | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Nagpur & Jalgaon are open for business Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Nagpur are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI |

Conventional and General Terms or References & Abbreviations

| Term | Description |
|-------------------------|--|
| AGM | Annual General Meeting |
| AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended |
| CIN | Corporate Identification Number |
| Companies Act | The Companies Act, 1956, to the extent applicable and the Companies Act, 2013, as applicable |
| Companies Act, 2013 | The Companies Act, 2013, and the rules made thereunder |
| COVID/CONVID-19 | Coronavirus disease (2019) |
| Depositories Act | The Depositories Act, 1996, as amended |
| FCNR Account | Foreign Currency Non-Resident Account |
| FEMA | Foreign Exchange Management Act, 1999, and any circulars, notifications, rules and regulations issued pursuant to the provisions thereof |
| FEMA Non-Debt Rules | The Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year / Fiscal | The period of 12 (twelve) months beginning April 1 and ending March 31 of that next year, unless otherwise stated |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended |
| IFRS | International Financial Reporting Standards |
| Ind-AS | Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended |
| India | Republic of India |
| Indian GAAP | Generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the Indian Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014, as amended |
| ISIN | International Securities Identification Number |
| IT Act | The Income Tax Act, 1961, as amended |
| Listing Agreement(s) | The equity listing agreement signed between our Company and the StockExchange |
| Mutual Fund | Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, as amended |
| Non-Resident / NR | Persons resident outside India as defined in the FEMA |
| Rupees / INR | The lawful currency of India |

| Term | Description |
|--------------------------|---|
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended |
| SCRR | Securities contracts (Regulations) Rules, 1957, as amended |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI ICDR Regulation | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended |
| FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended |

Industry Related Terms or Abbreviations

| Term | Description |
|--------------------------|---|
| AIF(s) | Alternative investment fund(s) as defined in and registered under the AIF Regulations |
| FDI | Foreign Direct Investment |
| FMCD | Fast Moving Consumer Durables |
| GST | Goods and Services Tax |
| GoI / Central Government | Government of India |
| HUF | Hindu Undivided Family |
| MSME | Micro, small and medium enterprises |
| NPA | Non-Performing Asset |
| PAN | Permanent Account Number |
| RBI | Reserve Bank of India |
| SR | SR equity Shares means the equity shares having superior voting rights compared to all other equity shares issued by the Company. |
| VCF | Venture capital funds, as defined in and registered under the VCF Regulations |
| w.e.f. | with effect from |

NOTICE TO INVESTORS

The distribution of this the Letter of Offer, the Abridged Letter, Application Form and Rights Entitlement Letter and the issue of the Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer/ the Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each who make a request in this regard. Investors can also access the the Letter of Offer the Abridged Letter of Offer and the Application Form from the websites of the Registrar, the Company, the Lead Manager, SEBI, the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the issue of the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer or the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer or the CAF. Envelopes containing the CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire rights and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any CAF as invalid where they believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF THE RIGHTS EQUITY SHARES. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. 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 Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Our fiscal year commences on April 01 of each calendar year and ends on March 31 of the following calendar year. Accordingly, all references to a particular "fiscal year" or "Fiscal", unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

Unless the context otherwise requires, our financial data in this Letter of Offer is derived from the Audited Financial Statements and Limited Reviewed Financial Information. Our audited financial statements as of and for financial year ended March 31, 2022 and Limited Reviewed Financial Information as on 30th September 2022, have been prepared by our Company in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements ("Financial Statements"). Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer 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. For details of financial statements, see "*Financial Statements*" on page number 50 of this Letter of Offer.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in "hundreds" units or in whole numbers where the numbers have been too small to represent in hundreds.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "Financial Information" on page number 50 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain 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. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to the “Rupees” or Rs.” are to Indian Rupees, the official currency of the Republic of India.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in hundreds.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

| Currency | Exchange rate as on | | | |
|----------|---------------------|----------------|----------------|----------------|
| | September 30, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| 1 USD | 81.55 | 75.82 | 73.53 | 75.38 |
| 1 Euro | 80.10 | 84.06 | 86.10 | 83.04 |

(Source: www.fbil.org.in)

FORWARD LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Objects of the Issue*” and “*History and Corporate Structure*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, political & legal environment, and geographical locations in which our Company operates, and other information that is not historical information.

These forward- looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities, pandemics and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- our ability to anticipate and respond to changes in the industry and changing customer preferences in a timely and effective manner;
- our ability to obtain certain approvals and licenses;
- our ability to maintain relationships with third parties;
- our ability to manage our operations at our current size or to manage any future growth effectively;

For further discussion of factors that could cause the actual results to differ from the expectations, see the section “*Risk Factors*”. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

SUMMARY OF THE LETTER OF OFFER

*The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on page numbers 19, 24, 29, 33, 104 and 110 respectively.

1. Primary business of the Issuer

Our Company is into trading of items like Computers, Computer peripherals, Computer Hardware, and Software, data processors, computerized telecommunication system and networks, calculators, tabulators, machines, appliances, accessories, devices and instruments of every kind and activation for use of industrial, commercial or any other purpose and distribution of IT hardware, software & security products distribution which is broadly categorized into IT consumers & enterprise segment.

For further details, please refer to the chapter titled “Our Business” beginning on page number 40 of this Letter of Offer.

2. Our Promoters

The promoters of our Company are Shobha Sunil Raisonni, Sunil Raisonni and Mahendra Gyanchand Raisonni.

3. Objects of the Issue

1. Long Term Working Capital Requirements for Trading of Computers
 2. General Corporate Purpose
 3. To meet issue expenses
- (Collectively referred as the “Objects”)

Net Proceeds

The details of the Net Proceeds are set forth below:

| Particulars | Amount (Rs in Hundreds) |
|---|----------------------------|
| Gross Proceeds of the Issue | 16,41,983.55 |
| Less: Issue related expenses in relation to Issue | 50,000.00 |
| Net Proceeds | 15,91,983.55 |

Requirement of Funds and Utilization of Issue Proceeds

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

| Sr. No. | Particulars | Amount (Rs in Hundreds) |
|---------|---|----------------------------|
| 1 | Long Term Working Capital Requirements for Trading of Computers | 11,93,987.97 |
| 2 | General Corporate Purpose | 3,97,995.58 |
| | Total | 15,91,983.55 |

For further details please see “Objects of the issue” on page number 33 of this Letter of Offer.

4. Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:

Our Promoter(s) and entities forming part of our Promoter Group have, *vide* their letters dated 18/11/2022 (the “Subscription Letters”) undertaken that they may (i) subscribe to their Rights Entitlements in the Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favor of existing shareholders of the Company (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally within the Promoter(s) or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. In the event the minimum subscription to be received in the issue is not received, the unsubscribed portion shall be subscribed by the underwriter of the issue – in compliance with the SEBI ICDR Regulations.

The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4) (a) and 10(4) (b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue

5. Auditor Qualifications:

There are no qualifications by the Statutory Auditors in their report to the Audited Financial Statements for the Financial Year ended March 31, 2022 and the unaudited Financial Statements for period ended September 30, 2022.

6. Summary of Outstanding Litigations:

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Letter of Offer is provided below. For details of the material outstanding litigation proceedings including criminal proceedings and civil proceedings, please see 104 “*Outstanding Litigations and Defaults*”.

| Nature of proceedings | Number of outstanding cases | Amount involved (in hundreds) |
|--|-----------------------------|-------------------------------|
| Cases filed against our Company | | |
| Civil | Nil | Nil |
| Cases filed by our Company | | |
| Civil | Nil | Nil |
| Criminal (under section 138 of the Negotiable Instruments Act) | Nil | Nil |

7. Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “Risk Factors” on page number 19 of this Letter of Offer.

8. Summary of Contingent Liabilities of our Company

As of March 31, 2022, we do not have any contingent liabilities.

9. Summary of Related Party Transactions

For details of the related party transactions, please refer to the corresponding header as reported in the Financial Statements for FY ending March 31, 2022 and six months ended September 30, 2022.

10. Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives, Directors of the company which is a Promoter of our Company have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Letter of Offer.

11. Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Letter of Offer

12. Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Rights Equity Shares. The risks described below are not the only risks relevant to our Company's business, operations, or our Rights Equity Shares, but also to the industry and segments in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our equity shares could decline, and investors may lose all or part of their investment.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Financial Information and other information contained in this Letter of Offer. In making an investment decision, investors and purchasers of the Rights Equity Shares must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors and purchasers of our Rights Equity Shares should consult their tax, financial and legal advisors about the consequences of investing in the Issue. Prospective investors and purchasers of the Rights Equity Shares should pay attention to the fact that our Company is incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

Materiality:

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

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively; and*
- Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Shradha Industries Limited. The risk factors are classified as under for the sake of better clarity and increased understanding.

1. *SIL's success depends on its ability to identify and respond to constantly changing customer demands and preferences and changing technologies and Implementation of new technologies in business*

In order to stay competitive, SIL must respond to changing trends in customer demands, changing of existing technology, implementation of new technologies in business and preferences either in India or overseas. SIL's success is dependent on its ability to anticipate accurately, identify and quickly respond to these trends. SIL should ensure that our sales team generate enthusiasm and respond with extra efforts in addressing our customers' needs in a timely fashion. If any of these risks pertaining to changes in demands/preference/technology materialize.

2. *SIL's ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights shall also be proportional to such investor's share of the paid-up equity capital of our Company.*

The amount of future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our Company's indebtedness and capital expenditures. There can be no assurance that our Company will be able to pay dividends in the future.

3. *SIL may not be able to successfully implement our business strategies.*

In order to achieve our goal of expanding our presence across the country, we are constantly evaluating the possibilities of expanding our presence. Implementation of the aforesaid business strategies may pose significant challenges to our administrative, financial and operational resources and additional risks, including some of which we may not be significantly aware of it. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, we may face an adverse effect on our future business prospects.

4. *Failure to retain our management team and other key personnel could harm our business.*

We place substantial reliance on the experience and knowledge of our technical personnel and management officers. We cannot prevent employees from terminating their respective contracts in accordance with the relevant agreed conditions. Finding suitable replacements for such key personnel could be difficult and time-consuming and competition for such personnel with rich experience is intense. The loss of the services of one or more members of our key management personnel due to their departure or other reasons could materially and adversely affect our business, financial condition and results of operations.

Our success also depends on the ability of our management team to cooperate effectively as a group. Furthermore, our ability to recruit and train skilled operating and maintenance personnel is a key factor to the success of our business activities. If we fail to recruit, train and retain such personnel, our business, financial condition and results of operations could be materially and adversely affected.

5. *SIL Business and profitability will suffer if we fail to train our executives in new technologies in order to keep pace with rapid changes in technology and the industries on which we focus.*

Technology by its nature is dynamic and ever changing. We need to continuously train and appraise our executives with all the new technologies in hardware and network management. Further the IT service market is characterized by rapid technological changes, evolving industry standards, changing client preferences and new service introductions. Our future success will depend on our ability to anticipate these advances and develop new service offerings by constant improvement and innovations. We also need to train our executives in new technologies being evolved and keep them abreast with the same so that our company is able to meet our client demand. We may not be successful in anticipating or adequately responding to these advances in a timely basis, or the services offered by us may not be satisfactory in view of the change in technologies in the market. Any such failure or complacency on our part to evolve continuously at steady pace could adversely affect our ability to complete efficiency, our cost competitiveness and could also adversely affect our revenue and profitability.

6. *Delays or defaults in client payments could result in a reduction of our profits.*

The Efficiency and growth of our business depends on timely payments received from our clients. In the event, our client defaults or delay in their payments, we may not have adequate resources to fund our business and growth plans. This could have an adverse effect on our business, financial condition and results of operations.

7. *Failure to compete effectively with our competitors may adversely affect our business and Prospects.*

Company faces significant competition from various companies engaged in the similar line of activities of that of our Company. In particular, we compete with other companies engaged in Trading of Computers, Some of our competitors may have greater financial, marketing, distribution and other resources and technological development capabilities than we do. Our failure to compete effectively could operations and market position materially and adversely affect our business, financial condition, results of operation and market position.

8. *Communal disturbances, riots, terrorist attacks and other acts of violence or war involving India and/or other countries could adversely affect India's economy and the financial markets, result in loss of client confidence, and adversely affect our business, financial condition, cash flows and results of operations.*

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as global equity markets generally. Such acts could negatively impact business sentiment and consumer confidence, which could adversely affect our business and profitability.

India and other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. For example, neighbouring countries in West and South Asia have experienced instances of civil unrest and hostilities.

Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This could adversely affect client confidence in India, which could have a negative impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

9. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

10. The impact of the COVID-19 pandemic worldwide and on SIL's business and operations is uncertain and cannot be predicted.

In late 2019, the COVID-19 disease, commonly known as “novel coronavirus”, was first reported in Wuhan, China. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a “Public Health Emergency of International Concern” and on March 11, 2020 it was declared a pandemic.

Several countries’ governments including India and numerous companies have imposed increasingly stringent restrictions to help avoid, or slow down, the spreading of COVID-19, including, for example, restrictions on international and local travel, public gatherings and participation in meetings, as well as closures of non-essential services, universities, schools, stores, restaurants and other key service providers, with some countries imposing strict curfews. These measures have led to a significant decline in economic activities in India and abroad.

COVID - 19 pandemic has caused serious disruption on the global economic and business environment. COVID 19 has significant impact on business operations of our Company. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. Based on the current indicators of future economic conditions, the Company estimates to recover the carrying amount of its assets. The Company has adequate liquidity to discharge its obligations. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material changes in future economic conditions.

RISKS RELATING TO THE ISSUE AND THE RIGHTS EQUITY SHARES

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the Government of India under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹ 1.00 Lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains.

As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares:

2. Any future issuance of the Rights Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Rights Equity Shares by the Promoter or Promoter Group or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

3. The shareholding pattern of the Company is a combination of physical and dematerialised shares, the Risk factor is associated pertaining to right issue is to achieve the minimum subscription by the Company from its shareholders as the allotment of shares are only in dematerialisation form by the Company and physical shares required to be converted in dematerialised form for right entitlement.

The shareholding pattern of the Company is a combination of physical and dematerialised shares. Further, as per ICDR, 2018, the minimum subscription to be received in the issue shall be at least ninety per cent of the offer through the offer document. However, the Risk factor is associated pertaining to right issue is to achieve the minimum subscription by the Company from its shareholders as the allotment of shares are only in dematerialisation form by the Company and physical shares required to be converted in dematerialised form for right entitlement. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants.

4. The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, see the section on "Issue information" on page 109 of this Letter of Offer.

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

The Issue Price of Equity Shares may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the issue and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- Changes in revenue or earnings estimates or publications of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions.

6. *SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 January 19, 2021 and May 19, 2022 streamlined the process of rights issues.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021 and May 19, 2022 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 109 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on November 18, 2022 pursuant to Section 62(1) (a) of the Companies Act, 2013. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the information detailed in the chapter titled as “*Terms of the Issue*” on page number 110 of this Letter of Offer.

(₹ in Hundreds)

| Particulars | Details of Equity Shares |
|---|--|
| Rights Equity Shares offered in the Issue | 1,09,46,557 Rights Equity Shares |
| Rights Entitlement | 44 Rights Equity Shares for every 5 fully paid-up Equity Shares held on the Record Date |
| Record Date | Wednesday January 25, 2023 |
| Face Value per Rights Equity Share | Rs. 10/- each |
| Issue Price | Rs. 15/- including a premium of Rs. 5/- per Rights Equity Share |
| Issue size | Rs. 16,41,983.55 |
| Equity Shares issued and outstanding prior to the Issue | 12,43,927 Equity Shares |
| Equity Shares subscribed and paid up outstanding prior to the Issue | 12,43,927 Equity Shares |
| Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) | 1,21,90,484 Equity Shares |
| Terms of the Issue | Please refer to “ <i>Terms of the Issue</i> ” on page number 110 of this Letter of Offer |
| Use of Issue Proceeds | For further information, see “ <i>Objects of the Issue</i> ” on page number 33 of this Letter of Offer |
| Security Codes | Symbol: SHRADHAIN Face Value: 10.00 ISIN: INE 489 B01015 Industry: SUPPORT SERVICES |
| Use of Issue Proceeds | For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page number 33 of this Letter of Offer. |
| Terms of the Issue | For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page number 110 of this Letter of Offer |

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| Event | Indicative Date |
|--|-----------------------------|
| Issue Opening Date | Thursday, February 16, 2023 |
| Last date for On Market Renunciation of Rights | Friday, February 24, 2023 |
| Issue Closing Date* | Thursday, March 2, 2023 |

* The Board of Directors thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

GENERAL INFORMATION

SHRADHA INDUSTRIES LIMITED (SIL) (“Company” or “Issuer”) was Originally Incorporated on 1st January, 1990 as Shradha Distributors Private Limited under the Companies Act, 1956 with the Registrar of Companies Mumbai. Subsequently Company was converted into a public limited consequent to name change to “Shradha Industries Limited” by passing a special resolution on August 03 1994 in terms of section 44 of Companies act 1956 and received fresh certificate of incorporation on August 12 1994 issued by Registrar of Companies Mumbai. The CIN of the Company is L51227MH1990PLC054825

SHRADHA INDUSTRIES LIMITED

Registered Office of our Company:

D-91, MIDC, Jalgaon,
Maharashtra, India -425001
CIN: L51227MH1990PLC054825
Registration Number: 054825

Corporate Office of our Company:

Shradha House, 345, Kingsway, Nagpur,
Maharashtra, India – 440 001

Registrar of Companies

Our Company is registered with the ROC situated at the following address:

Registrar of Companies
5th Floor, 100, Everest Building,
Netaji Subhash Road, Marine Dr,
Mumbai, Maharashtra 400002

Board of Directors of our Company

The Board of Directors of our Company as on the date of filing this Letter of Offer comprises of the following:

| DIN | Name of the Director | Begin date | Address |
|----------|-------------------------------|------------|--|
| 00162965 | Mr. Sunil Raison | 18/11/2022 | 75, North Ambazari Road, Shivaji Nagar, Nagpur-440010, Maharashtra |
| 09794298 | Ms. Anjana Tolani | 18/11/2022 | Plot No. 36, S N Tolani, Khamla Road, Sindhi Hindi High School, Sindhi Colony, Khamla, Nagpur MH IN – 440025 |
| 07484027 | Mr. Kalpesh Lalitkumar Bafna | 25/03/2016 | Sonika 8291-212 Nandanwan Colony Behind Jakhete Petrol Pump, Khajamiya Chauk Jalgaon 425001 Mh In |
| 01709908 | Mr. Swapnil Shivkumar Agrawal | 07/11/2022 | Near Paranjape School, Plot No.222, Khare Town Dharam Peth, Shankar Nagar S.O, Nagpur MH 400010 |
| 09516767 | Mr. Ajay Kumar Gandhi | 07/11/2022 | Flat No. B-5 AUM Ganga 120 Farmland, Ramdaspeth Nagpur Maharashtra India 440010 |

For further details of our Board of Directors, see “Our Management” on page number 47 of this Letter of Offer.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY

| Company Secretary and Compliance Officer | Lead Manager to the Issue |
|---|---|
| <p>Ms. Harsha Bandhekar Company Secretary Address : Umiya Complex Phase 2, A2 Room No. 14, Ganesh Mandir Road, Near Sai mandir, Titwala East - 421605 Kalyan Telephone number:91-9284535330 Email:harsha.bandhekar@raisoni.net (ICSI Membership No. : ACS 54849)</p> | <p>Kreo Capital Private Limited SEBI Registered Category I Merchant Banker SEBI Registration No: INM000012689 Telephone: +91-22-41731000 / +91-712-6652070 Investor grievance E-mail: info@kreocapital.com Website: www.kreocapital.com Contact Person: Mr. Ayush parakh</p> |
| Registrar to the Issue | Satutory Auditor |
| <p>Skyline Financial Services Pvt. Ltd. Email: subhashdhingreja@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Subhash Dhingreja SEBI Registration No.: INR000003241</p> | <p>Name : M/s. Paresh Jairam Tank & Co Telephone Number:+91-9370944311 Address:101, Laxminarayan Enclave,Opp Dhantoli Garden Main Gate, Bhivapurkar Marg, Dhantoli,Nagpur -440012 Email: tankparesh@yahoo.com</p> |

Bankers to the Issue & Refund Banker:

The Banker to the Issue and the Refund Bank shall bearing the below mentioned details:

ICICI BANK LIMITED.

Telephone Numbers: 9168681193

Contact Person: Mr. Krunal Rokade

**Address: Akarshan Busiplex 26,
Central Bazaar Road Ramdaspath, Nagpur -440010.**

Email: krunal.h@icicibank.com

Website: www.icicibank.com

Designated Intermediaries to the Issue

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as Bankers to the Issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, for the ASBA process in accordance with the SEBI ICDR Regulations is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. Further, details relating to designated branches of Bankers to the Issue collecting the ASBA application forms are available at the above-mentioned link.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matters such as non-receipt of letter of Allotment, credit of Rights Equity Shares or Refund Orders and such other matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the Bankers to the Issue, giving full details such as name, address of the applicant, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the Bankers to the Issue where the Application was submitted by the ASBA Investors.

Experts

Our Company has received a written consent from the Statutory Auditors namely, M/s. Paresh Jairam Tank & Co., (Practicing Chartered Accountant) Nagpur, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as "experts", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as an auditor and in respect of their (a) audit report dated 30th June 2020 on our financial statements for the year ended March 31, 2020, their (b) audit report dated June 17 2021 for year ended March 31 2021 (c) audit report dated May 23 2022 on our financial statements for the year ended March 31 2022 and unaudited financial results for the six month period ended November 7 2022 (d) their report dated 21/11/2022 on the Statement of Possible Special Tax Benefits included in this , and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act, 1933.

Filing

A copy of DLOF has been filed with Metropolitan Stock Exchange of India Limited (MSEI) Agastya Corporate Park, Building A, Unit 205A, 2nd Floor, Piramal, Lal Bahadur Shastri Rd, Kurla West, Mumbai, Maharashtra . A copy of DLOF has been intimated to SEBI ; in spite the issue size was less than 50 cr and the same was not required to be filled with SEBI as per ICDR, Regulations 2018

Monitoring Agency

Since the issue size is less than 100 Crores, there is no requirement to appoint the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82(1) of the SEBI (ICDR) Regulations by our Company.

Appraising Entity

The objects of this issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Credit Rating

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

Debenture Trustee

As this is an Issue of the Rights Equity Shares, the appointment of debenture trustee is not required.

Underwriting

The company has entered into the underwriting agreement with the under writers in terms of the underwriting agreement, the underwriters at the request of the company have agreed to underwrite the right equity shares offered through this issue upto a maximum of – Rs.4,16,140/-Hundreds i.e. to the extent of entitlement of shareholders other than the promoters and promoter group.

In the opinion of board of directors, the resources of the underwriter is sufficient to enable them to discharge their underwriting obligation in full

Statement of Responsibility of the Lead Manager

Kreo Capital Private Limited is the sole Lead Manager to the Issue. The details of responsibilities of the Lead Manager, is as follows:

| No. | Activities |
|------------|---|
| 1. | Capital structuring with relative components and formalities such as type of instruments, etc. |
| 2. | Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, CAF, etc. To ensure compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI. |
| 3. | Marketing of the Issue will cover, inter alia, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centres (iv) distribution of publicity and issue material including CAF, the Abridged Letter of Offer and the Letter of Offer to the extent applicable. |
| 4. | Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers, advertisement agencies, etc. |
| 5. | Follow-up with Bankers to the Issue to get estimates of collection and advising our Company about closure of the Issue, based on the correct figures. |
| 6. | Post-Issue activities will involve essential follow-up steps, which must include finalization of basis of allotment / weeding out of multiple applications, listing of instruments with the various agencies connected with the work such as Registrars to the Issue and Bankers to the Issue. Even if many of these Post-Issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that such agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company. |

Issue Schedule:

| | |
|---|-----------------------------|
| Issue Opening Date: | Thursday, February 16, 2023 |
| Last date for on market renunciation of rights | Friday, February 24, 2023 |
| Issue Closing Date:* | Thursday. March 2, 2023 |

*The Board of Directors thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date. No withdrawal of Application by eligible shareholders shall be allowed after issue closing date.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Letter of Offer is as set forth below:

(₹ In Hundreds, except share data)

| S. No. | Particulars | Aggregate Value at Face Value | Aggregate value at Issue Price |
|-----------|---|---|--------------------------------|
| A | Authorised Share Capital | | |
| | 12,340,000 Equity Shares of Rs.10/- each | | |
| | 1,60,000 Preference Shares of ` 10/- each | 12,50,000.00 | |
| -B | Issued Capital | | |
| | 12,43,927 Equity Shares of 10/- each | 1,24,39,270 | |
| C | Subscribed and Paid-Up Capital before the Issue | | |
| | 12,43,927 Equity Shares of 10/- each | 1,24,39,270 | |
| D | Present Issue being offered to the Equity Shareholders through the Letter of Offer aggregating upto 1,09,46,557 Equity Shares of face value Rs. 10 each. | | |
| | 1,09,46,557 Rights Equity Shares of 10/- each at a premium of Rs. 5/- i.e. at an Issue Price of Rs. 15 /- per Equity Share. | 10,94,655.70 | 16,41,983.55 |
| E | Issued, Subscribed and Paid-up Capital after the Offer | Issued capital should be mentioned separately after offer | |
| | 1,21,90,484 Equity Shares of 10/- each ⁽²⁾ | 12,19,048.40 | |
| F | Subscribed and Paid-up Capital after the Offer | | |
| | 1,21,90,484 Equity Shares of 10/- each ⁽²⁾ | 12,19,048.40 | |
| G | Securities Premium Account | 98,272.00 | |
| | Before the Issue | - | |
| | After the Issue ⁽²⁾ | 6,45,599.85 | |

1. The Issue has been authorised by a resolution of our Board passed at its meeting held on November 18 2022, pursuant to Section 62 of the Companies Act, 2013.

2. Assuming full subscription for and allotment of the Rights Entitlement.

NOTES TO THE CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated 18/11/2022 (the “Subscription Letters”) undertaken that they may (i) subscribe to their Rights Entitlements in the Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally within the Promoter(s) or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. In the event the minimum subscription to be received in the issue is not received, the unsubscribed portion shall be subscribed by the underwriter of the issue – in compliance with the SEBI ICDR Regulations.

The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4) (a) and 10(4) (b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b)(ii) of the Takeover Regulations cannot be determined since the shares of the Company have not been traded on MSEI during sixty trading days preceding to the date of right issue determination, so the Company is unable to determine the ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b)(ii) of the Takeover Regulation. Hence the Issue Price of Rs.15/- (including premium of Rs.5/-) has been decided by the Board in consultation with the Lead Manager of the issue.

3. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges

(i) The shareholding pattern of our Company as on September 30, 2022, is as follows:

| Category of shareholder | Nos. of shareholders | No. of fully paid up Equity Shares held | Total no of Equity Shares held | Shareholding as a % of total no. of Equity Share-s (calculated as per SCRR, 1957) As a% of (A+B) | Number of Equity Shares held in dematerialized form |
|-------------------------------|----------------------|---|--------------------------------|--|---|
| (A) Promoter & Promoter Group | 11 | 928670 | 928670 | 74.66 | 928670 |
| (B) Public | 509 | 315257 | 315257 | 25.34 | 101300 |
| Grand Total | 520 | 1243927 | 1243927 | 100.00 | 1029970 |

(ii) Statement showing holding securities of persons belonging to the category “Promoter and Promoter Group” as on September 30, 2022:

| Category of shareholder | Nos. of shareholders | No. of fully paid up Equity Shares held | Total no of Equity Shares held | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B) | Number of Equity Shares held in dematerialized form |
|--|----------------------|---|--------------------------------|--|---|
| 1. INDIAN | | | | | |
| a. Individuals/ Hindu undivided family | 5 | 461598 | 461598 | 37.11 | 461598 |
| b. Any other (i + ii) | | | | | |
| i. Bodies corporate | 6 | 467072 | 467072 | 37.55 | 467072 |
| ii. Directors and their relatives | 0 | 0 | 0 | 0 | 0 |
| 2. FOREIGN | 0 | 0 | 0 | 0 | 0 |
| Total (1+2) | 11 | 928670 | 928670 | 74.66 | 928670 |

(iii) Statement showing holding of securities of persons belonging to the “Public” category as on September 30, 2022:

| Category of shareholder | Nos. of shareholders | No. of fully paid-up Equity Shares held | Total no of Equity Shares held | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (C) | Number of Equity Shares held in dematerialized form |
|--|----------------------|---|--------------------------------|--|---|
| 1.INSTITUTIONS | | | | | |
| Mutual Funds | 0 | 0 | 0 | 0 | 0 |
| Financial Institutions/ Banks | 0 | 0 | 0 | 0 | 0 |
| 2.CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)/ PRESIDENT OF INDIA | 0 | 0 | 0 | 0 | 0 |
| 3. NON-INSTITUTIONS | | | | | |
| (i) Individual share capital up to 2 Lakhs | 500 | 234384 | 234384 | 18.84 | 59260 |
| (ii) Individual shareholders holding nominal share capital in excess of 2 Lakhs. | 1 | 37440 | 37440 | 3.01 | 37440 |
| | | | | | |
| (iii) Body Corporates | 7 | 41133 | 41133 | 3.31 | 4600 |
| (iv)Trust | 1 | 2300 | 2300 | 0.18 | 0 |
| (v) IEPF/ Resident Indian HUF | | | | | |
| TOTAL (i+ii+iii+iv+v) | 509 | | | | |
| Total Public Shareholding 1+2+3 | 509 | 315257 | 315257 | 25.34 | 101300 |

(iv) The list of shareholders holding 1% or more of the paid-up capital of our Company is as under as on September 30, 2022:

| Sr.No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Issue capital (in %) |
|--------|--|----------------------|--|
| 1 | SHOBHA RAISONI | 84800 | 6.82 |
| 2 | SUNIL RAISONI | 370758 | 29.81 |
| 3 | RIAAAN DIAGNOSTIC PRIVATE LIMITED | 98000 | 7.88 |
| 4 | FEMINA INFRASTRUCTURES PRIVATE LIMITED | 107406 | 8.63 |
| 5 | SGR INFRATECH LIMITED | 98400 | 7.91 |
| 6 | SGR HOLDINGS PVT LTD | 50166 | 4.03 |
| 7 | ZENITH COMMOTRADE PRIVATE LIMITED | 59000 | 4.74 |
| 8 | RIAAAN VENTURES PRIVATE LIMITED | 54100 | 4.35 |
| 9 | LAXMI VENTURES INDIA LIMITED | 23333 | 1.88 |
| 10 | SANDEEPKUMAR ARUNKUMAR SAHU | 37440 | 3.01 |
| 11 | RISHABH SURANA | 18700 | 1.50 |
| 12 | SUNIL SURANA | 18700 | 1.50 |
| | TOTAL | 1020803 | 82.06% |

4. As on the date of this Letter of Offer, Our Company does not have any outstanding warrants options convertible loans, debentures or any other securities which are convertible at a later date into Equity Shares.
5. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Letter of Offer.
6. Our Company does not have any stock option scheme.
7. None of the Equity Shares held by our Promoters or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.
8. The Issue being a Rights Issue, as per the SEBI ICDR Regulations, the requirements of Promoter's contribution and the lock-in are not applicable. Our Promoters or members of the Promoter Group have not acquired Equity Shares of our Company during the last one year immediately preceding the date of filing of this Letter of Offer with SEBI.

No Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Letter of Offer:

9. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated 18/11/2022 (the "Subscription Letters") undertaken that they may (i) subscribe to their Rights Entitlements in the Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally within the Promoter(s) or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. In the event the minimum subscription to be received in the issue is not received, the unsubscribed portion shall be subscribed by the underwriter of the issue – in compliance with the SEBI ICDR Regulations..

10. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4) (a) and 10(4) (b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR.
11. Our Company is in compliance with Regulation -38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

OBJECTS OF THE ISSUE

The main object clause of MOA of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MOA.

The issue of 1,09,46,557 Equity Shares of Rs. 10/- each of our Company at a price of Rs.15/- per Equity Share (including share premium of Rs. 5/-per Equity Share). We intend to utilize the proceeds of the Issue to meet the following objects:-

4. Long Term Working Capital Requirements for Trading of Computers
 5. General Corporate Purpose
 6. To meet issue expenses
- (Collectively referred as the “Objects”)

Net Proceeds

The details of the Net Proceeds are set forth below:

| Particulars | Amount (Rs in Hundreds) |
|---|----------------------------|
| Gross Proceeds of the Issue | 16,41,983.55 |
| Less: Issue related expenses in relation to Issue | 50,000.00 |
| Net Proceeds | 15,91,983.55 |

Requirement of Funds and Utilization of Issue Proceeds

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

| Sr. No. | Particulars | Amount (Rs in Hundreds) |
|---------|---|----------------------------|
| 1 | Long Term Working Capital Requirements for Trading of Computers | 11,93,987.97 |
| 2 | General Corporate Purpose | 3,97,995.58 |
| | Total | 15,91,983.55 |

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.

We intend to finance our Objects of the Issue as follows:

(Rs. in Hundreds)

| Source(s) | Amount Involved |
|----------------------|---------------------|
| Proposed Right Issue | 16,41,983.55 |
| Total | 16,41,983.55 |

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.

Details of Utilization of Net Proceeds

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

1. Long Term Working Capital Requirements for Trading of Computers

We are in the growing stages of enhancing our Trading business. Our Company intends to utilize 11, 93,987.97 (Rs in hundreds) from the Net Proceeds towards trading of computers. We believe this will enable us to cater to the growing demand of our customers with enhanced and increased efficiency. The details are set forth below:

Details of Computers for which orders are yet to be placed:

| Sr. No. | Product Description | Date of the Quotation | Name of the Vendor | Quantity | Price | Total Cost | Condition (New/ Upgraded) |
|---------|--|---------------------------------|--|----------|-------|--------------|---------------------------|
| 1 | Lenovo Industrial Grade Computer Neos 50 i5 pc, 12 th Gen, 8gb RAM, 256 SSD, HDMI Port, Power Cable, Monitor Cable, 19.5 LED. | 24 th November, 2022 | 3C IT Solutions & Telecoms India Pvt Ltd | 4000 | 35500 | 14,20,00,000 | New |

We have not yet placed orders for any of the computers mentioned above. The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Further, in relation to the purchase of the computers. We have received quotations from vendor which are valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the equipment or at the same costs. The quantity of computers to be purchased is based on management estimates and could be subject to change in the future. In the event of any change in the breakup of the estimated cost, the Net Proceeds may be appropriately distributed across other infrastructural development to adjust any decrease or increase in cost under any of the headings stated above.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

No second-hand computer is proposed to be purchased out of the Net Proceeds of the Offer.

2. 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 Right Issue proceeds 3, 97,995.58 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 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, we confirm that the amount for general corporate purposes, as mentioned in the Letter of Offer, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Issue Expenses

The Issue related expenses consist of fees payable to the Lead Manager, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately 50,000.00 towards these expenses, which is 3.04 % of the total issue size; a break-up of the same is as follows:

(₹ in Hundreds)

| Activity | Estimated Expense | % of Total Expenses | As a % of Issue Size |
|---|-------------------|---------------------|----------------------|
| Fees payable to the intermediaries (including Lead Manager fees including underwriting commission if any, brokerage , Legal Counsel fees, selling commission, registrar fees and expense) | 30,600.00 | 61.2 | 1.86 |
| Advertising and marketing expenses Printing, stationery and distribution Expenses | 1,500.00 | 3 | 0.09 |
| Regulatory including stock exchange and other statutory expenses | 16,200.00 | 32.4 | 0.99 |
| Other Miscellaneous Expense | 1,700.00 | 3.4 | 0.10 |
| Total | 50,000.00* | 100 | 3.04 |

*Excluding related goods and service Tax

4. General Corporate Purposes

We intend to deploy 3, 97,995.58 from proceeds of the Rights Issue towards General Corporate Purposes including but not restricted to, future growth requirements, capital expenditure, and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by our Board. The company will deploy rights issue proceeds judiciously to meet the requirements of the business. However, not more than 25% of the proceeds of the issue would be deployed for the General Corporate purposes.

Schedule of Utilization and Deployment of Funds

Our Company proposes to deploy the entire Issue proceeds towards the Objects as described before end of September 2023. In the event of the estimated utilization of the Issue proceeds in the scheduled Fiscal is not undertaken in its entirety, the remaining Issue proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Issue proceeds are not completely utilized for the Objects during the respective period stated above due to factors such as:

- economic and business conditions;
- timely completion of the Issue;
- market conditions outside the control of our Company; and
- Any other commercial considerations, the remaining Issue proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company in accordance with applicable laws.

Similarly, subject to our business considerations, our Company may also use the Issue proceeds in the preceding Fiscal, if it is in the best interests of our Company.

The requirement and deployment of funds indicated above is based on internal management estimates, current circumstances of our business and prevailing market conditions.

Sources of financing of funds already deployed

Our Company has deployed Rs.10,611.71 (hundreds) as towards issue expense as certified by M/s Paresh Jairam Tank & Co. Chartered Accountants vide Certificate dated 19th January, 2023. The same have been funded through internal accruals.

Strategic and/ or Financial Partners

There are no Strategic and Financial partners.

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Bridge Financing Facilities

We have not availed any bridge financing facilities for the meeting the expense as stated under the Objects of the Issue.

Interim use of Funds

The Issue proceeds pending utilization for the objects described above shall be deposited with scheduled commercial bank included in second schedule of Reserve Bank of India Act, 1934.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than 10,000 lakhs, in terms of Regulation 82(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, our Company is not required to appoint a monitoring agency for this Issue. Our Board of Directors will monitor the utilization of the Issue proceeds. The Company will disclose the utilization of the Issue proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Variation in Objects

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

Other Confirmations

Our promoters, promoter group, directors and key managerial personnel have no interest in any of the objects as stated above and other related matters thereof.



PARESH JAIRAM TANK & CO
CHARTERED ACCOUNTANTS

Off : 101, Laxminarayan Enclave, Opp. Dhantoli Garden Main Gate, Bhivapurkar Marg, Dhantoli Nagpur-440012

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
SHRADHA INDUSTRIES LIMITED
D-91, MIDC JALGAON
JALGAON MH 425001 IN

Dear Sirs/Madam,

Subject: Statement of Possible Special Tax Benefits available to Shradha Industries Limited ("the Company") and shareholders of the Company under the direct and indirect tax laws of India

1. We hereby confirm that the enclosed Annexure 'A', prepared by Shradha Industries Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended from time to time, 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 and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and 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 rights issue of the shares of the Company.



3. We do not express any opinion or provide any assurance as to whether:
i) the Company or its shareholders will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been / would be met with;
and
iii) the revenue authorities/courts will concur with the views expressed herein.

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

5. We shall not be liable to any claims, liabilities or expenses relating to this statement except to the extent 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.

Place: **NAGPUR**
Date: **21/11/2022**



Yours Faithfully
For Paresh Jairam Tank & Co.
Chartered Accountants


Paresh Jairam Tank
(Partner)
Membership No. 103605

UDIN - 22103605BDRJQA2084
UDIN Date: 21/11/2022

**ANNEXURE 'A' TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS
AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE
APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ("the Act") as amended from time to time, presently in force in India.

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the rights issue of shares of the Company.

NOTES:

1. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
3. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.



SECTION IV – ABOUT THE COMPANY

HISTORY AND CORPORATE STRUCTURE

History and Background

SHRADHA INDUSTRIES LIMITED (SIL) (“Company” or “Issuer”) was Originally Incorporated on 1st January, 1990 as Shradha Distributors Private Limited under the Companies Act, 1956 with the Registrar of Companies Mumbai. Subsequently Company was converted into a public limited consequent to name change to “Shradha Industries Limited” by passing a special resolution on August 03 1994 in terms of section 44 of Companies act 1956 and received fresh certificate of incorporation on August 12 1994 issued by Registrar of Companies Mumbai

Changes in our Registered Office:

| Date | Particulars of Registered Office | Reason of change in Registered Office |
|------------------------------|---|---------------------------------------|
| At the time of incorporation | Main Road , Higanghat ,Maharashtra | To increase operational efficiency |
| 20.09.1994 | 46, Navipeth , Jalgaon Maharashtra | To increase operational efficiency |
| 31.07.1996 | D-91,MIDC ,Industrial area ,Jalgaon -425003 | To increase operational efficiency |
| 27.12.2001 | 6 th Floor , Sadodaya Complex ,Darodkar Square , CA Road Nagpur 440022 | To increase operational efficiency |
| 06.06.2005 | D-91,MIDC ,Industrial area ,Jalgaon -425003 | To increase operational efficiency |

OUR INDUSTRY, BUSINESS AND NATURE OF THE COMPANY OPERATIONS & ITS PRINCIPLE ACTIVITIES :

Our Company is into trading of items like Computers, Computer peripherals, Computer Hardware, and Software, data processors, computerized telecommunication system and networks, calculators, tabulators, machines, appliances, accessories, devices and instruments of every kind and activation for use of industrial, commercial or any other purpose and distribution of IT hardware, software & security products distribution which is broadly categorized into IT consumers & enterprise segment.

IT Consumers comprises of trade model wherein we trade the products and facilitate sale of the same, whereas enterprise segment comprises of back-to-back sales model, where the entire sales are driven through various tie-ups such as organized retail chains, resellers, value added resellers, brand stores and system integrators.

Our product offerings include computers, components and peripherals, mobility products, enterprise solutions. We have tied-up with a strong network of resellers to distribute our product offering across the length and breadth of the nation and beyond. Our Company has established its presence across the state through sales office and service centers and warehouses.

Our operational activity pertaining to our product offering includes procurement, warehousing, technical support, material movement and evaluation based credit facilities to the resellers based on their financial credibility. Our Company also provides important value added services, such as pre-sales and post-sales support for its enterprise and cloud based products

OUR KEY BUSINESS ACTIVITIES

- SOURCING
- SALES

Corporate structure of our Company

As on the date of this Letter of Offer, there are no Subsidiary, Joint Ventures and Associate Company(s) of the Company

Product Segments

Our product offerings are bifurcated into segments like, IT consumer, IT enterprise solutions, and hardware services. The IT consumer segment mainly deals in consumables, components, peripherals, PCs, personal computers and peripherals. The IT enterprise segment deals in products relating to network infrastructure. The hardware services segment provides warranty services, which includes basic repairs, online and onsite support swap and chip level repairs. IT consumer, IT enterprise solutions and hardware services segments have been in existence for a long time.

IT Consumer

The IT Consumer segment mainly deals in PCs and peripherals. The IT Consumer segment witnessed a strong demand from various customer segments including corporates and individuals during the nationwide lockdown due to corona pandemic and is expected to develop in the coming years.

Enterprise Solutions

The IT Enterprise segment deals in products related to software, power and network infrastructure. The need for companies to have a robust IT infrastructure has increased during the nationwide lockdown due to corona pandemic. Companies have realized that in order to ensure their business continuity, they need to have an adequate and modern IT infrastructure and thus increase in investment on cyber security, communication networks and IT infrastructure can be evidenced.

Hardware Services

Under hardware services, we provide repairs and warranty services on behalf of entities with whom we have tie up for our product offerings. We are focusing on this segment as a profitable business segment with high margins and significant scope of growth opportunities.

Business strategy:

- Enter in tie-ups with newer marquee brands to widen our product portfolio.
- Focus on higher profitable business segments to efficiently allocate capital and hence improve the overall return on investment.
- Continue the cost efficiency initiatives to improve profitability of the Company.
- Increase our reach and penetration to every corner of the country.
- Launch of online purchase model for our tie-ups which will help to tap larger market share.
- Enhance the efficiency of our work delivery processes through good planning, flexibility amongst our workforce and utilising available technology and field tools.
- Ensuring overall safety of our people, recruiting, training and retaining the talent and delivering on shareholder value.

Our Strengths

Experienced management team with proven project management and implementation skills.

We have an experienced management team which we believe has positioned our business well for continued growth and development. Our management team has significant experience in the areas of finance, quality control, strategy, material sourcing and business development. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments and geographies. We believe our management team has demonstrated its ability to execute our business plan and has the skills and experience needed to implement our strategic objectives related to our business and expansion in the future.

Track record of growth and profitability

We have a track record of revenue delivery and profitability across various markets with healthy cash flows. The following table sets forth our total revenue from operations, EBITDA and profit for the year/period on a consolidated basis

Long term relationship with clients and repeat business

We enjoy a good reputation and despite increase in competition, have received repeat orders from several of our prominent clients. Our clients are spread across nation and overseas and have been associated with us for a medium/ long term period. We believe that we constantly try to address our client's requirements which help us to maintain a long-term working relationship with our clients and improve our retention strategy. We believe that the portfolio of our existing clients gives us a competitive advantage in gaining new clients and increasing our business.

ORGANIZATIONAL STRUCTURE



Main objects of our Company

The main objects of our Company as contained in its Memorandum of Association are:

1. ** To manufacture, develop, purchase, sell, trade, process, rent, lease, let out hire purchase, factoring bill discounting, supplier credit, and generally financing of all industrial, commercial and domestic ventures and otherwise deal in computer hardware and software, computer systems and assemble data processors, program designs, computer peripherals, internet services, internet lease lines, computer accessories and spare parts, LAN Products, Networking Material to impart education or computer training, Database integration, database management and integration, networking and system integration, E-commerce, Software development and to carry on business of providing, importing, exporting, selling, purchasing, trading, production, distribution, customization, development or otherwise deal in all types of applications, programs, software packages, internet programs, software programs, mobile applications, web applications, products, portals, the marketplace, services, applications, web design, and other related Services/Products and to execute computer related maintenance contracts and to do business of all types of Information Technology and Telecommunication Projects, facilities or works and to install, erect, undertake, lay down, commission, establish, own, operate, manage, control and administer, lease, rent, transfer, assign all Information Technology and Telecommunication Projects, facilities or works including the IT Park, Computers, Internet services, Computer Bureau, Training and Consultancy centers, Data Processing centers, developers of Web sites, Graphics web hosting Services, and of Computer consultants technology process outsourcing, Transcription, Back office operations, maintenance of information systems and act as consultants for the aforementioned services and businesses.
2. **To carry on business as manufactures, producers, processors, makers designers, developers convertors repairs, importers, exporters, traders buyers, sellers assemblers, retailers, wholesalers suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, lessers, commissionaires or otherwise deal in computers, c-computers peripherals, computer hardware and software, data processors, computerized telecommunications systems and networks, calculators, tabulators, machines appliances, accessories, devices and instruments of every kind and activation for use of industrial commercial or any other purpose and to act as computer consultants and to provide educational, personnel training technical and advisory services, E-commerce services, Web-designing and to offer other services that are normally offered relating to computers programming information retrieval data preparation, computer software hardware and business applications, video software and generation processing equipment electronic and electrical equipment devices and all other allied facilities of information Technology in India or abroad.
3. **To carry on the business of dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components, spare parts, equipments and devices and to carry on the business of establishing, running and managing institutions, school, academics and other industrial bodies for imparting education in computer technology, offering equipment, solutions and services for networking and network management, data centre management and in providing consultancy services in all above mentioned areas.
4. **To develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet service provider, and solutions in all areas of application including those in Emerging niche segments like Internet and Intranet website applications solutions software enterprise, resource planning, e-commerce, value added products and other business applications either for its own use for sale in India or for export outside India and to design and develop such systems and application software for and on behalf of manufacturers owners and users of computer, telecom, digital, electronic equipments in India or elsewhere in the world.
5. ** To export, import, buy, sell, act as agent, trade or otherwise deal in all kinds of merchandise, edible oils, de-oiled and oiled cakes, Soya bean, ground nut oil seeds, other oil bearing sub-stances, steel, cotton yarn, synthetic yarn, blended yarn, chemicals, metals, textiles, capital goods, consumer goods, automobiles, consumer durables, commodities, agro products, precious metals, electronic goods, machines, Engineering Equipment, Fire Equipments, Projectors, paper, cement, building and construction material, fibers, leather articles, furniture, electrical & electronic goods & equipments & appliances & accessories, foods, hydrocarbons, oil

derivatives, goods Workshop Tools, consumables and all industrial and consumable goods, articles & services , capable of being imported, exported and traded and for this purpose to buy, take on lease or otherwise acquire infrastructure comprising of movable and immovable property and to run the infrastructure so developed on BOOT, BOLT on transfer basis and hold for improvement, investment, development or trade , and sell, lease or otherwise impose of, however all or any of the aforesaid things and to carry on any kind of commercial and/or financial business as the company may determine from time to time on retail as well as on wholesale basis.

6. ****To carry on the business of providing career consultancy services including engineering, management consultancy services, executive & other personnel search, trainer & recruitment & placement services, career consultancy related services such as talent acquisition, development, training coaching, management, performance evaluation, enhancement, assessment and executive development, in India and abroad furthermore providing Manpower placement and recruiting Selecting, Interviewing, Training and Employing all types of executives, Middle Management Staff, junior Level Staff, Workers, Laborers Skilled/Unskilled required by various Industries and organizations including providing security services, Labor contractors, Industrial, Commercial, Housing and other security services and workers for office management assistance in various fields' namely general administration, personnel, secretarial, industrial relations, public relations, labour, commercial, statistical, and to conduct employment bureau and to provide consultancy and other services in connection with requirements of persons and manpower supply in India and abroad.**
7. ***To undertake the business of Builders, Engineers General Construction, Civil Contractors, Design Engineers, Turnkey Contractors, Real Estates and all other Engineering work and act as consultants, Advisors in areas of Engineering and to sale, purchase or otherwise or advertise for sale, purchase or assist in selling, purchasing and find or introduce purchaser or vendors to manage land, building and other immovable or movable property whether belonging to the Company or not and to buy, sale, acquire or transfer development rights and to let any portion of any immovable property for trade or business or other private or public purposes and to supply to tenants and occupiers and to collect rents and generate other income and to own, hold, occupy, manage, control, construct, erect, alter, develop, pull down improve, repair, renovate, work, build, plan, lay out sell, transfer, mortgage, charge, assign, let out, hire, sub-let, sublease, all types of lands, plots, buildings, hereditament, housing projects, bungalows, flats, warehouses assets and properties, moveable or immovable freehold or lease-hold of whatever nature and description and where ever situate and to deal, sale, manage, lease operate and run the infrastructure projects including housing, roads, highways, flyovers, bridges, ports, dams, water supply projects, irrigation projects, water treatment systems, underground drainage systems, solid waste management systems, sanitation and sewerage systems or any other public facilities of a similar nature as the Company may deem fit on the basis of Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Build-Own-Lease- Transfer (BOLT) or such other methods for the purposes of carrying out the objects of the Company and to enter into manage, undertake, buy, sell, carry on and engaged in the of Real Estate Development, Land Development and deal in immovable property of any tenure and any interest therein either independently or jointly in partnership, joint venture or on agency or sub contracts basis.**

****Clause 2 to 5 are inserted in Main Object by passing a Special Resolution at the EGOM held on 31st December, 2015.***

§Clause III (A) of the Main Object Clause of the Memorandum of Association is amended / altered whereby the above new Sub-Clause 6 is inserted after the existing Sub-Clause 5 vide Special Resolution passed by the Members of the Company at an Extra Ordinary General Meeting of the Company held 25th March, 2021.

***** Clause III (A) of the Main Object Clause of the Memorandum of Association is amended / altered by way of deletion of existing clause 1 of Clause III (A) and renumbering thereto clause 1 to clause 7 vide Special Resolution passed by the Members of the Company at an Extra Ordinary General Meeting of the Company held on 20th October 2022.***

DIVIDEND POLICY

The Board of Directors (hereinafter referred to as the “Board”) of **SHRADHA INDUSTRIES LIMITED** (hereinafter referred to as the “Company”) at its meeting held on November 14, 2022 has approved and adopted this Dividend Distribution Policy (herein after referred to as the “Policy”) as per the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”).

Purpose

The purpose of this Policy is to set up the parameters to be taken into account by the Board of the Company before declaring or recommending dividend.

The Company endeavors to pay dividend having in view its policy of meeting the long-term growth objectives from internal accruals and it will continue to stick to it.

Circumstances under which the Shareholders may or may not expect dividend

The Board of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. While determining the dividend to be declared or recommended the Board shall take into consideration the advice of the management of the Company and the planned and future investments need of the Company for growth apart from other parameters set out in this Policy.

The Board of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be judicious to retain profit for the then ongoing or planned business expansion or other factors which may be considered of more priority and in the larger interest of stakeholders by the Board.

Parameters to be considered while declaring or recommending dividend

The Board of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- ❖ Profits earned during the financial year
- ❖ Retained Earnings
- ❖ Earnings outlook for next three to five years
- ❖ Expected future capital / liquidity requirements
- ❖ Any other relevant factors and material events

The Board of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- ❖ Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.
- ❖ Regulatory changes — Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- ❖ Technological changes which necessitate significant new investments in the business in which the Company is engaged.

Utilisation of Retained Earnings

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other purpose, as the Board of the Company may deem fit.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

Amendments

The Board may, from time to time, make necessary amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.

Dividends paid on Equity Shares:

| Particulars | 31st March, 1995 | 31st March, 1996 | 31st March, 1997 | 31st March, 1998 | 31st March, 1999 | 31st March, 2000 | 31st March, 2001 | 31st March, 2002 |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Dividend type | Final | Final | Final | Final | - | Interim | Final | Interim |
| Dividend (Amt. in Rs.) | 229860 | 930870 | 1516950 | 1011601 | 0 | 1159300 | 579650 | 1159300 |

| | 31st March, 2002 | 31st March, 2003 | 31st March, 2004 |
|------------------------|------------------|------------------|------------------|
| Dividend type | Interim | Final | - |
| Dividend (Amt. in Rs.) | 1159300 | 1159300 | 0 |

No dividend has been declared and paid by the company since the year FY 2004-2005. However The Board of Directors of the Company at their board meeting held on 19th January 2023 have considered and declared the Payment of Interim dividend of Rs.1 per fully paid-up Equity Share of Rs. 10/- each for the financial year ended March 31, 2023; as duly reviewed, approved and recommended by the Audit Committee of the Company

OUR MANAGEMENT

Our Articles of Association provide that our Board shall consist of minimum 3(three) Directors and not more than 15 (fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on the date of this Letter of Offer, our Company has 5(Five) Directors, comprising of 1(One) Executive Director and 4(Four) Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

Our Board of Directors

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

| No. | Name, Designation, Address, Occupation, Term and DIN | Age (Years) | Other Directorships |
|-----|--|-------------|---|
| 1. | Mr. Sunil Raison Designation: Managing Director Address: Shradha Bunglow, Plot No. 75, Shivaji Nagar, Shankar Nagar S.O., Nagpur-440010, Maharashtra Occupation: Business Period of Directorship: Since 18 th November 2022 Term: Five years effective from 18th November 2022, Date of birth: 11/12/1961 DIN: 00162965 | 61 | 1. RATLAM RAILWAY INFRA PRIVATE LIMITED (Director) 2. MOUNT ABU RAILWAY INFRA PRIVATE LIMITED (Director) 3. SGR INFRATECH LIMITED (Director) 4. GHR SONS EDUCATIONAL AND MEDICALRESEARCH FOUNDATION (Director) 5. ANKUSH SHIKSHAN SANSTHA (Director) 6. CHAITANYA BAHUUDDESHIYA SANSTHA (Director) 7. G.H. RAISONI EDUCATIONAL AND MEDICAL FOUNDATION (Director) 8. G. H. RAISONI FOUNDATION (Director) 9. S.G.R FOUNDATION (Director) 10. G. H. RAISONI TECHNOLOGY BUSINESS INCUBATOR FOUNDATION (Director) |
| 2. | Anjana Tolani Designation: Non-Executive, Independent Director - Non Promoter Address: Plot No. 36, S N Tolani, Khamla Road, Sindhi Hindi High School, Sindhi Colony, Khamla, Nagpur MH IN - 440025 Occupation: Professional Period of Directorship: : Since 18 th November 2022 Term: Five years effective from 18th November 2022, Date of birth: 18/04/1991 DIN: 09794298 | 31 | NIL |
| 3. | Kalpesh Lalitkumar Bafna Designation: Non-Executive, Independent Director - Non Promoter Address: Sonika 8291-212 Nandanwan Colony Behind Jakhete Petrol Pump, Khajamiya Chauk Jalgaon 425001 Mh In Occupation: Business Period of Directorship: since 25 th March 2016 Term: 5 years from 30 th September, | 44 | NIL |

| | | | |
|----|---|----|--|
| | 2021 up to 30th September, 2026 Date of birth: 04/09/1978 DIN: 07484027 | | |
| 4. | Swapnil Shivkumar Agrawal Designation: Non-Executive, Independent Director - Non Promoter Address: Near Paranjape School, Plot No.222, Khare Town Dharam Peth, Shankar Nagar S.O, Nagpur MH 400010 Occupation: Employed Period of Directorship: w.e.f. 7 th November 2022 Term: for a period of 1 year Date of birth: 13/02/1978 DIN: 01709908 | 44 | 1. Bindraban horticulture pvt. Ltd.- Managing Director 2. A A Energy Private Limited- Wholetime Director 3. Nandkishore Lifespaces Private Limited- Director 4. Infobay Interactive India Privatelimited- Director 5. Tisha Navigation Private Limited- Director |
| 5. | Ajay Kumar Gandhi Designation: Non-Executive, Independent Director - Non Promoter Address: Flat No. B-5 AUM Ganga 120 Farmland, Ramdaspath Nagpur Maharashtra India 440010 Occupation: Business Period of Directorship: w.e.f. 7 th November 2022 Term: for a period of 1 year Date of birth: 29/03/1962 DIN: 09516767 | 60 | Gandhi Topline Private Limited-Director |
| 6. | Pritam Avinash Raisonni Designation: Chief Financial Officer (CFO) Address: House no 10 , Vitraag, Saraswati Wadi , Behind Dyan Mandir,Ganpati Nagar, Jalgaon ,M.j.college, Jalgaon,MH Period of serving as CFO: since 24 th June 2014 Date of Birth: 15/12/1980 PAN: ADKPR9324D Email: praisonni@hotmail.com | 42 | Not Applicable |
| 7. | Harsha Ramesh Bandhekar Designation: Company Secretary Address: Umiya Complex Phase 2, A2 Room No. 14, Ganesh Mandir Road, Near Sai mandir, Titwala East - 421605 Kalyan Occupation: Service Period of Service as CS: since 12 th February 2022 Date of Birth: 17/12/1986 PAN: AMJPB3787E Email: harsha.bandhekar@raisonni.net | 36 | Not Applicable |

Past Directorships in listed companies

| | | |
|--------------------|--|----------------------------|
| Mr. Sunil Raisonni | Shradha Infraprojects Limited (Managing Director) | Cessation date: 30/09/2020 |
|--------------------|--|----------------------------|

None of our Directors is, or was a director of any listed companies, whose shares have been, or were suspended from being traded on the MSE during the term of their directorships in such companies during the last five years preceding the date of filing of this Letter of Offer.

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 term of their directorship in such company during the last ten years preceding the date of filing of this Letter of Offer.

Relationship between the Directors

The Directors of the company is not related to any other Director of the Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors.

Details of service contracts entered with Directors

There are no service contracts entered between our Company and our Directors which provide for benefits upon termination of employment

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of,
Shradha Industries Limited,

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Shradha Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Inventories -

| The Key Audit matters | How our audit addressed the key audit matter / Auditor's Response |
|---|--|
| Assessment of net realisable value (NRV) of inventories. Inventories on construction of residential/ commercial units comprising ongoing and completed projects, initiated but un-launched projects and land stock, represents a significant portion of the Company's total assets. | <p><u>Our audit procedures to assess the net realisable value (NRV) of inventories included and were not limited to the following::</u></p> <ul style="list-style-type: none">• Enquiry with the Company's personnel to understand the basis of computation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment");• Considered the ready reckoner / stamp duty valuation rates for land and construction thereof considering the location of the projects.• Considered market rates prevailed during the year for land and construction thereof based on the location of the projects, based on available information.• Obtained and reviewed the management assessment of the NRV including judgement and estimates applied in valuations.• Assessed the determination of impact on valuations of the project consequent to COVID-19 and Assessment of how the management has factored the deterioration in the overall economic environment arising from COVID-19..• Performed subsequent event procedures upto the date of the audit report |



Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A-** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.





- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.





PARESH JAIRAM TANK & Co.

CHARTERED ACCOUNTANTS

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- a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- iv. The Company has not declared any dividend (i.e. interim or final) during financial year ended 31st March'2022. Accordingly provisions of section 123 of the Companies Act 2013 is not applicable during Financial year 2021-22



For Pareesh Jairam Tank & Co.

Chartered Accountants

Firm Reg. No. 139681W

CA. Pareesh Jairam Tank

Partner

Membership No.: 103605

UDIN: 22103605-ATJUKM04989

Nagpur, May 23, 2022 .



Annexure A to the Independent Auditor's

Report referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of Shradha Industries Limited, ("the Company") financial statements of the Company for the year ended March 31, 2022:

i)

a) In respect of the Company's Fixed Assets

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company does not own any intangible asset, hence this sub-clause is not applicable.

b) The fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and the nature of its asset. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) The Company does not have inventory, therefore reporting under clauses (a) & (b) of CARO 2020 is not applicable to the company.

iii) The Company has not made any investments in or provided any guarantee or security to companies, firms, Limited Liability Partnerships. During the year the Company has granted unsecured loans to entities other than related parties.:

a) The Company has provided unsecured loans in respect of which-





- A. The Company has not provided loans or advances in the nature of loan or stood guarantees or provided security to subsidiaries, joint ventures or associates.
- B. The Company has provided loans amounting to Rs. 13,53,00,000/- during the year to entities other than subsidiary, Joint ventures or Associates; and the balance outstanding at the balance sheet date in respect of such loans granted is Rs. 1,44,980,348/-.
- b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and the repayments of principal amounts and receipts of interest are generally been regular which is based on demand.
- c) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- d) Neither any loan granted by the company has fallen due during the year, nor has it been renewed or extended or any fresh loans granted to settle the overdues of existing loan since the loans are repayable on demand.
- e) The company has not granted any loans or advances in the nature of loans to promoters or related parties as defined in clause (76) of the Act. The Company has granted loans repayable on demand to entities other than related parties during the year, the details for which are as follows;

| Particulars | All Parties | Promoters | Related Parties |
|--|-------------|-----------|-----------------|
| Aggregate amount of loans/ advances in nature of loans | | | |
| Repayable on demand (A) | 1353000.00 | - | - |
| Agreement does not specify any terms or period of repayment (B) | - | - | - |
| Total (A+B) | 1353000.00 | - | - |
| Percentage of loans/advances in nature of loans to the total loans | 100.00% | 0.00% | 0.00% |

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable in respect of grant of loans, making investments and providing guarantees and securities.
- v) The Company has not accepted deposits within the meaning of section 73 and 76 of the act and the companies (acceptance of deposits) rules, 2014 (as amended) during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.





- vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Act, for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) **In respect of statutory dues:**
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax, and other material statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanation given to us, there are no disputed dues of Goods and Services tax, Income Tax and other material statutory dues, which have not been deposited on account of any dispute.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix)
- a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company, The Company has not raised any funds on short term basis during the year and there are no outstanding loans of short term basis as at the beginning of the year and hence, reporting under clause (ix)(d) of the Order is not applicable.
- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.





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- f. The company has not raised any loans during the year, hence reporting on clause (ix)(f) of the orders is not applicable
- x)
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.
- xi)
- a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanation given to us, the Company has not received any whistle-blower complaints during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us transactions with related parties are in compliance with the provisions of section 177 and 188 of Companies Act, 2013 wherever applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv)
- a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.





- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi)
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





PARESH JAIRAM TANK & Co.

CHARTERED ACCOUNTANTS

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- xx) During current year, the Company is not required to spend funds towards Corporate Social Responsibility and accordingly reporting under this clause (xx) is not applicable

For Paresh Jairam Tank & Co.

Chartered Accountants

Firm Reg. No. 139681W



CA. Paresh Jairam Tank

Partner

Membership No.: 103605

UDIN: 22103605AJUKM04989

Nagpur, May 23, 2022



Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shradha Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shradha Industries Limited**, ("the Company") as of 31st March 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.





Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





PARESH JAIRAM TANK & Co.

CHARTERED ACCOUNTANTS

Off : 101, Laxminarayan Enclave, Opp. Dhanoli Garden Main Gate, Bhivapurkar Marg, Dhanoli Nagpur-440012
Tel : 0712-2447602, Mail-id : tankparesh@yahoo.com

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Pareshe Jairam Tank & Co.

Chartered Accountants

Firm Reg. No. 139681W

CA. Pareshe Jairam Tank

Partner

Membership No.: 103605

UDIN: 22103605ATULKM04989

Nagpur, May 23, 2022

SHRADHA INDUSTRIES LIMITED
Balance Sheet As at 31st March, 2022

Amount In Rs('00)

| Particulars | Note No | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------|------------------------|------------------------|
| I. ASSETS | | | |
| A. Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 3,182.32 | 11,507.41 |
| (b) Financial assets | | | |
| (i) Investments | 4 | 8,97,048.17 | 7,40,480.40 |
| (ii) Other Financial assets | 5 | 220.00 | 555.90 |
| (c) Other non-current assets | 6 | 7,500.00 | 7,500.00 |
| Total Non-current assets | | 9,07,950.49 | 7,60,043.71 |
| B. Current assets | | | |
| (a) Inventories | 7 | - | 2,03,786.21 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 8 | - | - |
| (ii) Cash and cash equivalents | 9 | 2,433.07 | 8,321.12 |
| (iii) Loans | 10 | 14,49,803.48 | 6,67,413.38 |
| (iv) Other financial assets | 11 | - | 120.00 |
| (c) Current tax assets (net) | 12 | 387.74 | 397.99 |
| (d) Other current assets | 13 | 15,046.05 | 2,967.89 |
| Total Current assets | | 14,67,670.34 | 8,83,006.60 |
| TOTAL ASSETS | | 23,75,620.83 | 16,43,050.31 |
| II. EQUITY AND LIABILITIES | | | |
| A. Equity | | | |
| (a) Equity share capital | 14 | 1,24,392.70 | 1,24,392.70 |
| (b) Other equity | 15 | 20,32,376.26 | 13,92,077.85 |
| Total Equity | | 21,56,768.96 | 15,16,470.55 |
| B. Liabilities | | | |
| B.1 Non-current liabilities | | | |
| (a) Provisions | 16 | 65.15 | - |
| (b) Deferred tax liabilities (Net) | 17 | 90,027.35 | 1,22,700.86 |
| Total Non-current liabilities | | 90,092.50 | 1,22,700.86 |
| B.2 Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables: | 18 | | |
| (A) Total outstanding dues of micro enterprise and small enterprises | | - | - |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 609.61 | 24.98 |
| (ii) Other financial liabilities: | 19 | 1,035.00 | 1,488.65 |
| (b) Other current liabilities | 20 | 1,876.17 | 2,365.27 |
| (c) Provisions | 21 | 0.22 | - |
| (d) Current tax liabilities (Net) | 22 | 1,25,238.37 | - |
| Total Current liabilities | | 1,28,759.37 | 3,878.90 |
| Total liabilities | | 2,18,851.87 | 1,26,579.76 |
| TOTAL EQUITY AND LIABILITIES | | 23,75,620.83 | 16,43,050.31 |

See accompanying notes forming part of financial statements
As per our report of even date attached

1 to 32

For Paresh Jairam Tank & Co.

Chartered Accountants

Firm Reg No: 139681W

CA Paresh Jairam Tank

Partner

Membership No: 103605

UDIN: 22103605 AJUKM04989

Nagpur, 23rd May 2022



For and on behalf of the Board of Directors

S.S. Raisoni
Mrs. Shobha Raisoni
Managing Director
DIN No. 00162943

Mr. Ravindra Sharma
Mr. Ravindra Sharma
Director
DIN No. 07457726

Mr. Pratik Raisoni
Mr. Pratik Raisoni
Chief Financial Officer

Ms. Harsha Bandhekar
Ms. Harsha Bandhekar
Company Secretary

Nagpur, 23rd May 2022

SHRADHA INDUSTRIES LIMITED

Statement of Profit and Loss for the Year ended on 31st March, 2022

Amount in Rs('00)

| PARTICULARS | | Note No | For the Year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|-------------|---|---------|--|--|
| I | Revenue from operations | 23 | 9,40,039.42 | 48,409.19 |
| II | Other Income | 24 | 1,32,794.67 | 48,069.30 |
| III | Total Income (I+II) | | 10,72,834.10 | 96,478.49 |
| IV | Expenses | | | |
| | Cost of Goods Sold | 25 | 4,27,826.98 | - |
| | Purchase of Stock in Trade | 26 | 34,372.46 | 47,736.57 |
| | Employee benefit expense | 27 | 21,197.04 | 22,458.59 |
| | Depreciation and amortisation expense | 3 | 190.46 | 424.14 |
| | Other Expenses | 28 | 6,975.83 | 5,235.60 |
| | Total expenses (IV) | | 4,90,562.78 | 75,854.90 |
| V | Profit/ (loss) before tax (III-IV) | | 5,82,271.31 | 20,623.59 |
| VI | Tax expense | | | |
| | a) Current Tax | | 1,57,896.34 | 5,128.81 |
| | b) Earlier year Income tax | | 10.25 | (382.40) |
| | b) Deferred Tax | | (687.88) | 594.71 |
| | Total Tax Expense | | 1,57,218.71 | 5,341.12 |
| VII | Profit/ (loss) for the Year (V - VI) | | 4,25,052.61 | 15,282.47 |
| VIII | Other comprehensive income | | | |
| | A (i) Items that will not be reclassified to profit or loss: | | | |
| | Revaluation of Listed Equity Instruments | | 1,56,567.77 | 3,56,213.34 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (58,678.03) | 74,785.19 |
| | B (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | Total Other Comprehensive Income for the year | | 2,15,245.80 | 2,81,428.15 |
| | Total Comprehensive Income for the Year (VII+VIII) | | 6,40,298.41 | 2,96,710.63 |
| | Earnings per equity share at par value of Rs. 10 each (Amount in Rupees) : | | | |
| | a) Basic | | 34.17 | 1.23 |
| | b) Diluted | | 34.17 | 1.23 |

See accompanying notes forming part of financial statements

1 to 32

As per our report of even date attached

For and on behalf of the Board of Directors

For Paresh Jairam Tank & Co.

Chartered Accountants

Firm Reg No: 139681W

CA Paresh Jairam Tank

Partner

Membership No: 103605

UDIN: 22103605AJUKM04989

Nagpur, 23rd May 2022



S.S. Raisoni

Mrs. Shobha Raisoni

Managing Director

DIN No. 00162943

Mr. Ravindra Sharma

Director

DIN No. 07457726

Mr. Pritam Raisoni

Mr. Pritam Raisoni

Chief Financial Officer

Ms. Harsha Bandhekar

Company Secretary

Nagpur, 23rd May 2022

Shradha Industries Limited
Statement of Cash Flow for the Year ended on 31st March, 2022

Amount In Rs('00)

| Particulars | For the Year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|--|--|--|
| A) Cash Flow from Operating Activities | | |
| Net Profit before Tax | 5,82,271.32 | 20,623.59 |
| Adjustments for Non-Cash Items: | | |
| Depreciation | 190.46 | 424.14 |
| Profit on sale of Asset | 73,134.13 | |
| Derecognition of Asset | 268.76 | - |
| Operating profit before working capital changes | 5,09,596.42 | 21,047.74 |
| Adjustment for Working Capital Changes : | | |
| Changes in Trade Receivables | - | 3,876.37 |
| Changes in Inventories | 2,03,786.21 | (3,347.85) |
| Changes in Trade Payables | 584.63 | (15,370.46) |
| Changes in Other Current Liabilities | (489.10) | (1,615.76) |
| Changes in Other Current Financial Liabilities | (453.65) | 1,488.65 |
| Changes in Other Current Assets | (12,078.16) | 5,992.01 |
| Changes in Current Provisions | 65.15 | |
| Changes in Non-current Provisions | 0.22 | |
| Increase/ Decrease in Non Current Assets | 335.90 | (555.90) |
| Changes in Other Current Financial Assets | 120.00 | (120.00) |
| Total working capital changes | 1,91,871.21 | (9,652.94) |
| Direct Taxes Paid (Net) | 5,965.57 | (9,084.48) |
| Taxes of earlier years | - | 104.40 |
| Net Cash From Operating Activities (A) | 6,95,502.06 | 2,414.71 |
| B) Cash Flow from Investing Activities | | |
| Net Proceeds from Loans | (7,82,390.09) | (1,699.23) |
| Sale of Property, Plant and Equipment | 80,999.99 | - |
| Net Cash used in Investing Activities (B) | (7,01,390.10) | (1,699.23) |
| C) Cash Flow from Finance Activities | | |
| Net Cash used in Financing Activities (C) | | |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C) | (5,888.04) | 715.48 |
| Opening Balance of Cash & Cash Equivalents | 8,321.12 | 7,605.63 |
| Closing Balance of Cash & Cash Equivalents | 2,433.07 | 8,321.12 |

See accompanying notes forming part of financial statements

1 to 32

As per our report of even date attached

For and on behalf of the Board of Directors

For Paresh Jairam Tank & Co.

Chartered Accountants

Firm Reg No: 139681W

CA Paresh Jairam Tank

Partner

Membership No: 103605

UDIN: 22103605ATUKMO4989

Nagpur, 23rd May 2022



S.S. Raisonni

Mrs. Shobha Raisonni

Managing Director

DIN No. 00162943

Mr. Ravindra Sharma

Director

DIN No. 07457726

Mr. Pritam Raisonni

Chief Financial Officer

Ms. Harsha Bandhekar

Company Secretary

Nagpur, 23rd May 2022

SHRADHA INDUSTRIES LIMITED
Notes forming part of the financial statements
For the year ended 31st March, 2022

NOTE 1 : Corporate Information

Shradha Industries Limited is a Listed Public Limited Company incorporated in the state of Maharashtra. It was incorporated on 01st January, 1990. The registered office of the company is situated at D-91, MIDC, Jalgaon-425001, Maharashtra, India. Presently, the Company is engaged in the business of Trading of items like Computers, Computer's Hardware & Accessories and all allied kind of products and is listed on the Metropolitan Stock Exchange of India Limited ("MSE").

NOTE 2: Statement on Significant Accounting Policies

The significant accounting policies applied by the company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

1. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2. Basis of Preparations of Financial Statements:

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS and inventories at Cost or NRV whichever is lower. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

3. Use of Estimates:

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

4. Revenue Recognition:

a. Income from Sale of goods:

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- (a) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

Advances received from the customers are reported as customer's deposits unless the above conditions for revenue recognition are met.

b. Interest income:

Income is recognized on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

c. Dividend:

Dividend from investment is recognized as revenue when right to receive the payment is established.

5. Property, Plant and Equipment (PPE):

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost. After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.



- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognized in the statement of profit and loss in the period in which the same are incurred.

Subsequent cost of replacing parts significant in relation to the total cost of an item of property, plant and equipment are recognized in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is de-recognized in accordance with the de-recognition policy mentioned below.

When major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is de-recognized.

An item of Property, plant or equipment is de-recognized upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such de-recognition of an item of property plant and equipment is recognized in profit and Loss.

Depreciation on property, plant and equipment, except freehold land, is provided as per cost model on straight line basis over the estimated useful lives of the asset as follows:

| | |
|-------------------------|--------------|
| Building (Non-Factory) | : 60 years |
| Building (Residential) | : 60 Years |
| Plant and Machinery | : 5 years |
| Electrical Installation | : 10 Years |
| Office equipment | : 3/5 years |
| Furniture and Fixtures | : 5/10 years |



Based on technical evaluation, the management believes that the useful lives given above best represents the period over which the management expects to use the asset. Hence the useful lives of the assets are same as prescribed under Part C of schedule II of Companies Act, 2013.

The estimated useful life of the assets is reviewed at the end of each financial year. The residual value of Property, plant and equipment considered as 5% of the original cost of the asset. Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Transition to Ind AS

The company elected to continue with the carrying value as per cost model for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP.

6. Depreciation

Depreciation on Tangible Assets is provided on SLM basis in the manner and at the rates prescribed in Schedule II to the companies Act, 2013.

The carrying cost of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds their recoverable amounts, which represent the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rate and weighted average cost of capital.

7. Impairment (other than Financial Instruments)

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.



Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. The remaining reversal of an impairment loss is recognized in the statement of profit and loss immediately.

8. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets and Financial Liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets:

Cash and Bank Balances:

(i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which have maturities of less than one year from the date of such deposits.

(ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Financial assets at Fair Value:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income. The Company recognizes life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.



(b) Financial Liabilities and Equity Instruments:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition of financial assets and financial liabilities, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations.

Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.



The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|-------------------------|------------------------|--|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

9. Inventory:

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.



10. Income Taxes;

A. Current Tax

Provision for current income tax is made in accordance with the Income Tax Act, 1961. As book profit is in excess of profit as per income tax act, provision for taxation has been created for taking into consideration MAT provisions as laid down in Section 115 JB of the Income Tax Act, 1961 and MAT credit receivable has been disclosed under current assets.

B. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Current and deferred tax are recognized as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity.

C. Minimum Alternative Tax (MAT)

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

11. Provisions:

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is also termed as contingent liability. A contingent asset is neither recognized nor disclosed in the financial statements.



12. Employee Benefits

Short term employee benefits are recognized on an accrual basis.

13. Post Employee Benefits:**i. Defined Benefit Plans:**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

14. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

15. Abbreviations used:

| | | |
|----|--------|---|
| a. | FVTOCI | Fair value through Other Comprehensive Income |
| b. | FVTPL | Fair value through Profit & Loss |
| c. | GAAP | Generally accepted accounting principal |
| d. | Ind AS | Indian Accounting Standards |
| e. | OCI | Other Comprehensive Income |
| f. | P&L | Profit and Loss |
| g. | PPE | Property, Plant and Equipment |
| h. | EIR | Effective Interest Rate |



Shradha Industries Limited
Statement of changes in equity for the Year ended on 31st March, 2022

A. Equity share capital

Amount in Rs('00)

(1) 1st April, 2021 to 31st March, 2022

| Particulars | Opening balance as at 01 April, 2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at 01 April, 2021 | Changes in equity share capital during the year 2021-22 | Closing balance as at 31st March, 2022 |
|--|--------------------------------------|--|---------------------------------------|---|--|
| Equity Shares-1243927 No. of shares at Par Value of Rs.10/- each | 1,24,392.70 | - | 1,24,392.70 | - | 1,24,392.70 |
| Total | 1,24,392.70 | - | 1,24,392.70 | - | 1,24,392.70 |

(2) 1st April, 2020 to 31st March, 2021

| Particulars | Opening balance as at 01 April, 2020 | Changes in Equity Share Capital due to prior period errors | Restated balance as at 01 April, 2020 | Changes in equity share capital during the year 2020-21 | Closing balance as at 31st March, 2021 |
|--|--------------------------------------|--|---------------------------------------|---|--|
| Equity Shares-1243927 No. of shares at Par Value of Rs.10/- each | 1,24,392.70 | - | 1,24,392.70 | - | 1,24,392.70 |
| Total | 1,24,392.70 | - | 1,24,392.70 | - | 1,24,392.70 |

B. Other Equity

(1) 1st April, 2021 to 31st March, 2022

| Particulars | RESERVES AND SURPLUS | | | | | Other Comprehensive Income | Total Other Equity |
|--|----------------------------|--------------------|-----------------|--------------------|----------------------------|--|--------------------|
| | Capital Redemption Reserve | Securities Premium | General Reserve | Retained Earnings | Total Reserves and Surplus | Revaluation of Listed Equity Instruments | |
| Balance as at 1st April, 2021 | 2,000.00 | 98,272.00 | 2,13,028.92 | 5,07,891.07 | 8,21,191.99 | 5,70,885.85 | 13,92,077.85 |
| Changes in accounting policy | - | - | - | - | - | - | - |
| Prior period errors | - | - | - | - | - | - | - |
| Restated balance as at April 1, 2021 | 2,000.00 | 98,272.00 | 2,13,028.92 | 5,07,891.07 | 8,21,191.99 | 5,70,885.85 | 13,92,077.85 |
| Profit for the period | - | - | - | 4,25,052.61 | 4,25,052.61 | - | 4,25,052.61 |
| Other Comprehensive Income for the period | - | - | - | - | - | 2,15,245.80 | 2,15,245.80 |
| Total comprehensive income for the period | - | - | - | 4,25,052.61 | 4,25,052.61 | 2,15,245.80 | 6,40,298.41 |
| Balance as at 31st March, 2022 | 2,000.00 | 98,272.00 | 2,13,028.92 | 9,32,943.68 | 12,46,244.60 | 7,86,131.66 | 20,32,376.26 |

(2) 1st April, 2020 to 31st March, 2021

| Particulars | RESERVES AND SURPLUS | | | | | Other Comprehensive Income | Total Other Equity |
|--|----------------------------|--------------------|-----------------|-------------------|----------------------------|--|--------------------|
| | Capital Redemption Reserve | Securities Premium | General Reserve | Retained Earnings | Total Reserves and Surplus | Revaluation of Listed Equity Instruments | |
| Balance as at April 1, 2020 | 2,000.00 | 98,272.00 | 2,13,028.92 | 4,92,608.60 | 8,05,909.52 | 2,89,457.70 | 10,95,367.22 |
| Changes in accounting policy | - | - | - | - | - | - | - |
| Prior period errors | - | - | - | - | - | - | - |
| Restated balance as at April 1, 2020 | 2,000.00 | 98,272.00 | 2,13,028.92 | 4,92,608.60 | 8,05,909.52 | 2,89,457.70 | 10,95,367.22 |
| Profit for the period | - | - | - | 15,282.47 | 15,282.47 | - | 15,282.47 |
| Other Comprehensive Income for the period | - | - | - | - | - | 2,81,428.15 | 2,81,428.15 |
| Total comprehensive income for the period | - | - | - | 15,282.47 | 15,282.47 | 2,81,428.15 | 2,96,710.63 |
| Balance as at 31st March, 2021 | 2,000.00 | 98,272.00 | 2,13,028.92 | 5,07,891.07 | 8,21,191.99 | 5,70,885.85 | 13,92,077.85 |

Capital Redemption Reserve: It was created as per the Companies Act, 2013 where the redemption of shares is out of profits, and an amount equal to nominal value of Preference shares redeemed is to be transferred to a reserve called 'capital redemption reserve'.

Securities Premium: Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance With the provision of the Companies Act, 2013.

Revaluation of listed equity instruments: It is created to record the changes in Fair Value of listed equity instruments in accordance with the applicable IND-AS.

General Reserve: The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be re-classified subsequently to statement of profit and loss.

See accompanying notes forming part of financial statements

1 to 32

As per our report of even date attached

For Paresh Jairam Tank & Co.
Chartered Accountants
Firm Reg No. 139681W

CA Paresh Jairam Tank
Partner
Membership No. 103605

UDIN: 22103605AJUKM04989

Nagpur, 23rd May 2022



For and on behalf of the Board of Directors

S.S. Raison

Mrs. Shobha Raison
Managing Director
DIN No. 00162943

Mr. Ravindra Sharma
Director
DIN No. 07457726

Mr. Pritam Raison
Chief Financial Officer

Ms. Parsha Bandhekar
Company Secretary

Nagpur, 23rd May 2022

Shradha Industries Limited

Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Note 3 Property Plant & Equipment

Amount in Rs('00)

| Sr. No. | Classification | Gross Carrying Amount | | | | Accumulated Depreciation | | | | Net Carrying Amount | |
|------------------------------------|------------------------|-----------------------------------|-----------|-----------------------|-----------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------------|-----------------------------|-----------------------------------|
| | | As at the beginning of the period | Additions | Deletions / disposals | As at the end of the period | As at the beginning of the period | Charge for the period | Deletions / disposals | As at the end of the period | As at the end of the period | As at the beginning of the period |
| For the year ended 31st March 2022 | | | | | | | | | | | |
| 1. | Land - Agricultural | 2,235.16 | - | 2,235.16 | - | - | - | - | - | - | 2,235.16 |
| 2. | Buildings | 10,831.61 | 2,072.75 | 11,259.36 | 1,645.00 | 3,901.55 | 99.41 | 3,634.43 | 366.53 | 1,278.47 | 6,930.06 |
| 3. | Plant and Equipment | 5,375.00 | - | 5,375.00 | - | 5,106.24 | - | 5,106.24 | - | - | 268.76 |
| 4. | Furniture and Fixtures | 26,081.35 | - | - | 26,081.35 | 25,674.87 | - | - | 25,674.87 | 406.48 | 406.48 |
| 5. | Office Equipments | 17,837.50 | - | - | 17,837.50 | 17,069.46 | - | - | 17,069.46 | 768.04 | 768.04 |
| 6. | Electric Installation | 12,485.55 | - | 1,570.60 | 10,914.95 | 11,861.44 | - | 1,492.08 | 10,369.36 | 545.59 | 624.11 |
| 7. | Computers | 6,436.80 | - | - | 6,436.80 | 6,162.01 | 91.06 | - | 6,253.06 | 183.74 | 274.79 |
| Total | | 81,282.97 | 2,072.75 | 20,440.12 | 62,915.60 | 69,775.56 | 190.46 | 10,232.75 | 59,733.28 | 3,182.32 | 11,507.41 |
| For Year Ended 31st March 21 | | | | | | | | | | | |
| 1. | Land - Agricultural | 2,235.16 | - | - | 2,235.16 | - | - | - | - | 2,235.16 | 2,235.16 |
| 2. | Buildings | 10,831.61 | - | - | 10,831.61 | 3,719.64 | 181.91 | - | 3,901.55 | 6,930.06 | 7,111.97 |
| 3. | Plant and Equipment | 5,375.00 | - | - | 5,375.00 | 5,106.24 | - | - | 5,106.24 | 268.76 | 268.76 |
| 4. | Furniture and Fixtures | 26,081.35 | - | - | 26,081.35 | 25,674.87 | - | - | 25,674.87 | 406.48 | 406.48 |
| 5. | Office Equipments | 17,837.50 | - | - | 17,837.50 | 17,045.46 | 24.00 | - | 17,069.46 | 768.04 | 792.04 |
| 6. | Electric Installation | 12,485.55 | - | - | 12,485.55 | 11,861.44 | - | - | 11,861.44 | 624.11 | 624.11 |
| 7. | Computers | 6,436.80 | - | - | 6,436.80 | 5,943.78 | 218.23 | - | 6,162.01 | 274.79 | 493.02 |
| Total | | 81,282.97 | - | - | 81,282.97 | 69,351.42 | 424.14 | - | 69,775.56 | 11,507.41 | 11,931.55 |



Shradha Industries Limited
Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Note 4 : Investments

Amount in Rs('00)

| Sr. No. | Name of the Body Corporate | As at 31st March 2022 | | As at 31st March 2021 | |
|---------|--|-----------------------|-------------------|-----------------------|-------------------|
| | | No. of Shares / Units | Amount | No. of Shares / Units | Amount |
| (a) | Investment in Equity Instruments (Quoted) | | | | |
| | Measured at fair value through other comprehensive income | | | | |
| | Shradha Infraprojects Limited | 1,692,600.00 | 883,537.20 | 1,692,600.00 | 726,971.70 |
| | Super Tannery Limited | 100.00 | 5.17 | 100.00 | 2.90 |
| | Sub Total | | 883,542.37 | | 726,974.60 |
| (b) | Investment in Equity Instruments (Unquoted) | | | | |
| | Measured at Amortised Cost | | | | |
| | SGR Ventures Private Limited | 90,000.00 | 900.00 | 90,000.00 | 900.00 |
| | Kelki Research Institute of Medical Science Limited | 1,000.00 | 100.00 | 1,000.00 | 100.00 |
| | G. H. Raisonni Privilege Private Limited | 2,980.00 | 29.80 | 2,980.00 | 29.80 |
| | Vast Integrated Services Limited | 124,760.00 | 12,476.00 | 124,760.00 | 12,476.00 |
| | Sub Total | | 13,505.80 | | 13,505.80 |
| | Total | | 897,048.17 | | 740,480.40 |
| | Aggregate amount of cost of acquisition of quoted investments | | 6,207.00 | | 6,207.00 |
| | Aggregate Market Value of quoted investments | | 883,542.37 | | 726,974.60 |
| | Aggregate amount of unquoted investments | | 13,505.80 | | 13,505.80 |
| | Aggregate amount of impairment in value of investments | | - | | - |



Shradha Industries Limited

Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Amount in Rs('00)

| Particulars | As at 31st March 2022 | As at 31st March, 2021 |
|---|--------------------------|---------------------------|
| Note 5: Other Financial Assets | | |
| Security Deposits | 220.00 | 555.90 |
| Total | 220.00 | 555.90 |
| Note 6: Other Non-current Assets | | |
| Capital Advance | 7,500.00 | 7,500.00 |
| Total | 7,500.00 | 7,500.00 |
| Note 7: Inventories | | |
| Work-in-progress: (valued at lower of Cost or Net realisable value) | | |
| Opening Work In Progress | 2,03,786.21 | 2,00,438.36 |
| (+) Additions during the year | 2,10,031.52 | 3,347.85 |
| (-) Sold during the year | 4,13,817.73 | - |
| Total | - | 2,03,786.21 |
| Note 8: Trade Receivables | | |
| Trade receivables – Considered Good Unsecured | - | - |
| Total | - | - |
| Note 9: Cash and cash equivalents | | |
| Balances with banks in current account | 1,111.17 | 7,021.80 |
| Cash on hand | 1,321.90 | 1,299.32 |
| Total | 2,433.07 | 8,321.12 |
| Note 10: Loans | | |
| Loans receivables – Considered Good - Unsecured | | |
| Loan to Others | 14,49,803.48 | 6,67,413.38 |
| Total | 14,49,803.48 | 6,67,413.38 |
| Note 11: Other Current Financial Assets | | |
| Interest accrued on Loans | - | - |
| Other receivables | - | 120.00 |
| Total | - | 120.00 |
| Note 12: Current tax assets (net) | | |
| 1) Income Tax Refund Receivable of earlier years | 387.74 | 10.25 |
| 2) Income Tax Refund Receivable of current period | | |
| A) Advance tax and tax deducted at source of Current period | 5,965.57 | 3,605.02 |
| B) Income tax liability for current period | 1,57,896.34 | 5,128.81 |
| Less MAT Credit utilised during the current period | 26,692.40 | 1,911.53 |
| Net income tax liability for the current period | 1,31,203.94 | 3,217.28 |
| C) Net income tax refund receivable of current period (A-B) | - | 387.74 |
| Total | 387.74 | 397.99 |
| Note 13: Other Current Asset | | |
| Advances other than capital advances: | | |
| Other Advances | 1,110.00 | 1,110.00 |
| Prepaid Expenses | 73.14 | 75.17 |
| TDS on sale of Property | 9,875.00 | - |
| Goods and Services tax - Input tax credit | 3,968.66 | 1,782.72 |
| Profession Tax (staff) | 19.25 | - |
| Total | 15,046.05 | 2,967.89 |

Shraddha Industries Limited

Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Note 14: Equity share capital

Note 14 (A):

Amount in Rs('00)

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|--|------------------------|-------------|------------------------|-------------|
| | Number | Amount | Number | Amount |
| Authorised Share Capital | | | | |
| Equity Shares at Par Value of Rs.10/- each | 31,40,000 | 3,14,000.00 | 31,40,000 | 3,14,000.00 |
| Preference Shares at Par Value of Rs.10/- each | 1,60,000 | 16,000.00 | 1,60,000 | 16,000.00 |
| Issued Share Capital / Subscribed Share Capital / Paid-Up Share Capital | | | | |
| Equity Shares at Par Value of Rs.10/- each | 12,43,927 | 1,24,392.70 | 12,43,927 | 1,24,392.70 |

Note 14 (B):

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|------------------------|-------------|------------------------|-------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the period/ year | 12,43,927 | 1,24,392.70 | 12,43,927 | 1,24,392.70 |
| Shares Issued during the period/ Year | - | - | - | - |
| Shares bought back during the period/ Year | - | - | - | - |
| Shares outstanding at the end of the period/ Year | 12,43,927 | 1,24,392.70 | 12,43,927 | 1,24,392.70 |

Rights, restrictions and preferences attached to equity shares

Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by directors is subject to the approval of shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 14 (C): Name of shareholders whose holding is more than 5%

| Name of Shareholder | As at 31st March, 2022 | | As at 31st March, 2021 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | No. of Shares held | % of total shares | No. of Shares held | % of total shares |
| Mr. Sunil Raison | 3,70,758 | 29.81 | 3,70,758 | 29.81 |
| Femina Infrastructures Private Limited | 1,07,406 | 8.63 | 1,07,406 | 8.63 |
| SGR Infratech Limited | 98,400 | 7.91 | 98,400 | 7.91 |
| Riaan Diagnostic Private Limited | 98,000 | 7.88 | 98,000 | 7.88 |
| Mrs. Shobha Raison | 84,800 | 6.82 | 84,800 | 6.82 |
| Grand Total | 7,59,364 | 61.05 | 7,59,364 | 61.05 |

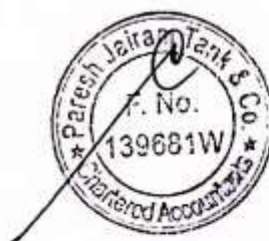


Shraddha Industries Limited
Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Note 14 (D):

Share holding pattern of Promoters

| Shares held by promoters at the end of the year | | % Change during the year | |
|---|-----------------|--------------------------|--------------------------|
| Promoter Name | No. of Shares | % of total shares | % Change during the year |
| Promoter Shareholding- Body Corporates | | | |
| Femina Infrastructures Private Limited | 1,07,406 | 8.63% | - |
| Riaan Diagnostics Pvt Ltd | 98,000 | 7.88% | - |
| SGR Infratech Limited | 98,400 | 7.91% | - |
| Riaan Ventures Pvt Ltd | 54,100 | 4.35% | - |
| SGR Holdings Pvt Ltd | 50,166 | 4.03% | - |
| Zenith Commotrade Pvt Ltd | 59,000 | 4.74% | - |
| Promoter Shareholding- Individuals | | | |
| Shobha Raison | 84,800 | 6.82% | - |
| Sunil Raison | 3,70,758 | 29.81% | - |
| Mahendra Raison | 6,000 | 0.48% | - |
| Rajul Raison | 20 | 0.00% | - |
| Pritam Raison | 20 | 0.00% | - |
| Total Promoter Shareholding | 9,28,670 | 74.66% | - |



Shradha Industries Limited
Notes forming part of Financial Statement for the Year ended on 31st March 2022

Amount In Rs('00)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
| Note 15: Other Equity | | |
| Reserves and Surplus | | |
| Capital Redemption Reserve | | |
| Amount as per previous year balance Sheet | 2,000.00 | 2,000.00 |
| Securities Premium | | |
| Amount as per previous year balance Sheet | 98,272.00 | 98,272.00 |
| General Reserve | | |
| Amount as per previous year balance Sheet | 213,028.92 | 213,028.92 |
| Retained Earnings | | |
| Balance at the beginning of the period | 507,891.08 | 492,608.60 |
| Add: Profit for the period | 425,052.61 | 15,282.47 |
| Balance at the end of the period | 932,943.69 | 507,891.08 |
| Total | 1,246,244.61 | 821,192.00 |
| Other Comprehensive Income | | |
| Revaluation of Listed Equity Instruments | | |
| Balance at the beginning of the period | 570,885.85 | 289,457.70 |
| Add: Addition during the period through OCI | 215,245.80 | 281,428.15 |
| Balance at the end of the period | 786,131.65 | 570,885.85 |
| Total | 786,131.65 | 570,885.85 |
| Total | 2,032,376.26 | 1,392,077.85 |
| Note 16: Provisions | | |
| Provision for Gratuity | 65.15 | - |
| Total | 65.15 | - |
| Note 17: Deferred tax Assets / liabilities (Net) | | |
| A) on the timing difference created due to difference in written down value as per Income tax and as per books of accounts | (910.83) | 445.86 |
| B) on the timing difference created due to Revaluation of Listed Equity Instruments | 91,242.88 | 149,920.91 |
| C) on the timing difference created due to carry forward of amalgamation expenses | (304.70) | (973.51) |
| Total Deferred tax (asset) / liability | 90,027.35 | 149,393.26 |
| b) MAT Credit Entitlement | 26,692.40 | 28,630.10 |
| Less: MAT Credit adjustments of previous period | - | 26.17 |
| Less: MAT Credit Utilised during the current period | 26,692.40 | 1,911.53 |
| Total MAT Credit entitlement | (0.00) | 26,692.40 |
| Deferred tax (Assets) / liabilities (Net) | 90,027.35 | 122,700.86 |



Shradha Industries Limited
Notes forming part of Financial Statement for the Year ended on 31st March 2022

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---------------------------|---------------------------|
| Note 18: Trade Payables | | |
| Total Outstanding dues of Micro Enterprises & Small Enterprises | - | - |
| Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises | 609.61 | 24.98 |
| Disclosures under Section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises: | | |
| (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year; | - | - |
| (b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006); | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of accounting year; and | - | - |
| (e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - |
| The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006. Such statutory disclosures should be made by an entity in its Notes to Accounts. | | |
| Total | 609.61 | 24.98 |



Shradha Industries Limited
Notes forming part of Financial Statement for the Year ended on 31st March 2022

Trade Payable Ageing Schedule

(Amount in Rs '00)

| Particulars | Outstanding for following periods from due date of payment | | | Total |
|-----------------------------|--|-----------|-------------------|--------|
| | Less than 1 Year | 1-2 years | More than 3 years | |
| (i) MSME | - | - | - | - |
| (ii) Others | 609.61 | - | - | 609.61 |
| (iii) Disputed dues – MSME | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - |

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
| Note 19: Other Financial Liabilities | | |
| Salary Payable | - | - |
| Directors Remuneration Payable | - | - |
| Professional Fees payable | 495.00 | |
| Audit Fees payable | 540.00 | |
| Credit Balance in current Account | - | |
| Expenses Payable | - | 1,488.65 |
| Total | 1,035.00 | 1,488.65 |
| Note 20: Other Current Liabilities | | |
| Statutory dues payable | 1,876.17 | 1,365.27 |
| Advance against Property | - | 1,000.00 |
| Total | 1,876.17 | 2,365.27 |
| Note 21: Provisions | | |
| Provision for Gratuity | 0.22 | - |
| Total | 0.22 | - |
| Note 22: Current Tax Liabilities (net) | | |
| Income tax liability for current period | 1,57,896.34 | - |
| Less MAT Credit utilised during the current period | 26,692.40 | - |
| Less MAT credit adjustment of previous period | - | - |
| Less Advance tax and tax deducted at source | 5,965.57 | - |
| Total | 1,25,238.37 | - |



Shradha Industries Limited

Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Amount in Rs('00)

| Particulars | For the Year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|--|--|
| Note 23: Revenue From Operations | | |
| Sales of Traded Goods | 35,039.42 | 48,409.19 |
| Sale of Inventory (Land) | 9,05,000.00 | - |
| Total | 9,40,039.42 | 48,409.19 |
| Note 24: Other Income | | |
| Interest on Loans | 59,655.69 | 48,017.22 |
| Profit on Sale of Land- Sadabag | 73,134.13 | - |
| Interest on Income Tax Refund | - | 52.08 |
| Balances Written back (net) | 4.48 | - |
| Total | 1,32,794.29 | 48,069.30 |
| Note 25: Cost of goods sold (land) | | |
| Opening balance of Inventory | 2,03,786.21 | 2,00,438.36 |
| Additions: Land Development Expenses | 2,24,040.77 | 3,347.85 |
| Less: Closing Balance | - | 2,03,786.21 |
| Cost of Goods Sold | 4,27,826.98 | - |
| Total | 4,27,826.98 | - |
| Note 26: Purchase of Stock in Trade | | |
| Purchases of Stock in Trade | 34,372.46 | 47,736.57 |
| Total | 34,372.46 | 47,736.57 |
| Note 27: Employee benefit expense | | |
| Directors Remuneration | 18,000.00 | 18,000.00 |
| Salaries | 3,073.45 | 4,300.59 |
| Leave Encashment | 123.59 | 158.00 |
| Total | 21,197.04 | 22,458.59 |
| Note 28: Other Expenses | | |
| Administrative Expenses | 930.00 | 930.30 |
| Advertisement | 1,375.72 | 1,012.45 |
| Audit Fees | 600.00 | 600.00 |
| Bank Charges & Commission | 18.00 | 28.41 |
| Demat Account Expenses | 6.58 | 5.00 |
| Domain Charges | 31.62 | - |
| Electricity Charges | 419.56 | 142.00 |
| Legal & Professional Charges | 3,083.10 | 2,169.90 |
| Loss on Derecognition of Property, plant and equipments | 268.76 | - |
| Membership & Subscription | 50.00 | 50.00 |
| Miscellaneous Expenses | 167.49 | 272.54 |
| Rates & Taxes | 25.00 | 25.00 |
| Total | 6,975.83 | 5,235.60 |



Shradha Industries Limited
Notes forming part of Financial Statement for the Year ended on 31st March, 2022

Note 29 : Financial risk management

(₹ in '00')

The Company's activities expose it to the following risks:

Credit risk
Interest risk
Liquidity risk

A Credit risk

Credit Risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

i Trade receivables

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Credit risk exposure

The Company's credit period generally ranges from 30 – 60 days are as below.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-------------------|---------------------|---------------------|
| Trade receivables | - | - |
| Work in progress | - | 2,03,786.21 |
| Total | - | 2,03,786.21 |

The Company evaluates the concentration of risk with respect to trade receivables as low as they are spread across multiple geographies and multiple industries.

ii Financial instruments and deposits with banks

Credit risk is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Cash and cash equivalent | 2,433.07 | 8,321.12 |
| Bank balance other cash and cash equivalent | - | - |
| Total | 2,433.07 | 8,321.12 |



Note 30 : Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, if require, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows:

| Particulars | Amortised cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/ liabilities at fair value through OCI | Total carrying value | Total fair value |
|-----------------------------|----------------|--|---|----------------------|------------------|
| Assets: | | | | | |
| Investments | 8,97,048.17 | - | - | 8,97,048.17 | 8,97,048.17 |
| Loans | 14,49,803.48 | - | - | 14,49,803.48 | 14,49,803.48 |
| Others financial assets | 220.00 | - | - | 220.00 | 220.00 |
| Cash and cash equivalents | 2,433.07 | - | - | 2,433.07 | 2,433.07 |
| Liabilities: | | | | | |
| Trade payables | 609.61 | - | - | 609.61 | 609.61 |
| Other financial liabilities | 1,035.00 | - | - | 1,035.00 | 1,035.00 |

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

| Particulars | Amortised cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/ liabilities at fair value through OCI | Total carrying value | Total fair value |
|-----------------------------|----------------|--|---|----------------------|------------------|
| Assets: | | | | | |
| Investments | 7,40,480.40 | - | - | 7,40,480.40 | 7,40,480.40 |
| Loans | 6,67,413.38 | - | - | | |
| Others financial assets | 675.90 | - | - | 675.90 | 675.90 |
| Cash and cash equivalents | 8,321.12 | - | - | 8,321.12 | 8,321.12 |
| Liabilities: | | | | | |
| Trade payables | 24.98 | - | - | 24.98 | 24.98 |
| Other financial liabilities | 1,488.65 | - | - | 1,488.65 | 1,488.65 |



Note 31 : Employees benefit

| Gratuity plan | |
|---|---------------------|
| Particulars | As at 31 March 2022 |
| Table I: Assumptions | |
| Discount rate | 7.25 % per annum |
| Salary Growth Rate | 5.00 % per annum |
| Mortality | IALM 2012-14 |
| Withdrawal rate (Per Annum) | 5.00% p.a. |
| Table II: Change in Present Value of Obligations | |
| Present value of the obligation at the beginning of the period | - |
| Interest Cost | - |
| Current Service cost | 6,537.00 |
| Past Service Cost | - |
| Benefits paid(if any) | - |
| Actuarial (gain) / loss | - |
| Present value of the obligation at the end of the period | 6,537.00 |
| Table III: Amount to be recognised in Balance Sheet | |
| Present value of the obligation at the end of the period | 6,537.00 |
| Fair value of plan assets at end of period | - |
| Net liability/(asset) recognized in Balance Sheet and related analysis | 6,537.00 |
| Funded Status - Surplus/ (Deficit) | (6,537.00) |
| Table III: Amount to be recognised in Statement of profit & Loss A/C | |
| Interest cost | - |
| Current service cost | 6,537.00 |
| Past Service Cost | - |
| Expected return on plan asset | - |
| Expenses to be recognized in P&L | 6,537.00 |



Note 32: Additional information to the financial statements

- 1) **Auditors Remuneration :** **As at 31.03.2022** **As at 31.03.2021**
For Statutory Audit **Rs. 60,000** **Rs. 60,000**
*excluding GST

2) **Contingent Liabilities:**

| As at March 31, 2022 | As at March 31, 2021 |
|----------------------|----------------------|
| Nil | Nil |

3) **Capital Commitments:**

| As at March 31, 2022 | As at March 31, 2021 |
|----------------------|----------------------|
| Nil | Nil |

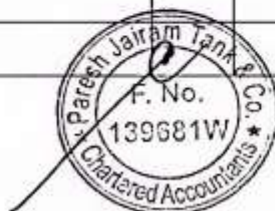
4) **Related Party disclosure as required by IND AS 24:**

A. Name of related parties and description of relationship:

| Sr. No. | Name of related party | Nature of relationship |
|---------|----------------------------|--|
| 1 | Mrs. Shobha Raisonni | Key Management Personnel-Managing Director |
| 2 | Mr. Ravindra Sharma | Key Management Personnel-Managing Director |
| 3 | Ms. Jinal Bavishi | Key Management Personnel - Company Secretary |
| 4 | Mr. Pritam Raisonni | Key Management Personnel – CFO |
| 5 | Ms. Harsha Bandhekar | Key Management Personnel - Company Secretary |
| 6 | Shradha Infraprojects Ltd. | Related Party |

B. The details of the related party transactions entered into by the Company for the period ended March 31, 2022 are as follows:

| | Nature of Transaction | a) Wholly Owned Subsidiary | b) Associate | c) By virtue of control | d) Key Management Personnel | e) Other Related Parties | Total |
|-----|-----------------------------|----------------------------|--------------|-------------------------|-----------------------------|--------------------------|--------------------------|
| (A) | Expenditure | | | | | | |
| a. | Mrs. Shobha Raisonni | | | | | | |
| | Managerial Remuneration | - | - | - | 18,00,000 (18,00,000) | - | 18,00,000 (18,00,000) |
| b. | Ms. Jinal Bavishi | | | | | | |
| | Salary/ Remuneration | - | - | - | 23,484 (2,70,134) | - | 23,484 (2,70,134) |
| c. | Ms. Harsha | | | | | | |



| | Nature of Transaction | a) Wholly Owned Subsidiary | b) Associate | c) By virtue of control | d) Key Management Personnel | e) Other Related Parties | Total |
|------------|-----------------------------------|----------------------------|--------------|-------------------------|-----------------------------|--------------------------|-------------|
| | Bandhekar | | | | | | |
| | Salary/ Remuneration | - | - | - | 27355 | | 27355 |
| (B) | Sales | | | | | | |
| a. | Shradha Infraprojects Ltd. | | | | | | |
| | Sale of Land | | | | | 9,05,00,000 | 9,05,00,000 |

C. The details of amounts due to or due from related parties as at March 31, 2022 are as follows:

-NIL

5) Earnings per share is calculated as follows:

| Sr. No. | Particulars | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------|---|-----------------------|-----------------------|
| 1 | Net Profit attributable to shareholders | 4,25,05,261 | 15,28,247 |
| 2 | Equity Shares outstanding as at the end of the year (in nos.) | 12,43,927 | 12,43,927 |
| 3 | Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share | 12,43,927 | 12,43,927 |
| 4 | Add: Diluted number of Shares | 0 | 0 |
| 5 | Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share (in Rs.) | 12,43,927 | 12,43,927 |
| 6 | Nominal Value per Equity Share (in Rs.) | 10 | 10 |
| | Earnings Per Share | | |
| | Earnings Per Share (Basic) (in Rs.) | 34.17 | 1.23 |
| | Earnings Per Share (Diluted) (in Rs.) | 34.17 | 1.23 |

6) C.I.F. value of Imports, Expenditures and Earnings in Foreign Currencies :

| Particulars | As on 31 st March, 2022 | As on 31 st March, 2021 |
|--------------------------------------|------------------------------------|------------------------------------|
| a) CIF Value of Imports | NIL | NIL |
| b) Expenditure in Foreign Currencies | NIL | NIL |
| c) Earnings in Foreign Currencies | NIL | NIL |



7) The Financial Ratios are follows

(Reason for variance is given for variance more than 25%)

| Sr. No | Ratio | Current Period | Previous Period | % Variance | Reason for Variance |
|--------|--|----------------|-----------------|------------|---|
| (a) | Current Ratio | 11.40 | 227.64 | -94.99% | Variance in is due to sale of land which was held as stock-in-trade |
| | (Current Assets / Current Liabilities) | | | | |
| (b) | Debt-Equity Ratio | NA | NA | NA | - |
| | (Total Debt / Total Equity) | | | | |
| (c) | Debt Service Coverage Ratio | NA | NA | NA | - |
| | (EBITDA & Non Cash Items / Total Installment) | | | | |
| (d) | Return on Equity Ratio | 23.14% | 1.12% | 22.03% | Increase in profit due to sale land held as stock in trade and sale of Fixed Asset |
| | (Net Profit After Tax / Average Shareholders' Equity) | | | | |
| (e) | Inventory turnover ratio | 9.23 | 0.24 | 3751.82% | Variance in is due to sale of land which was held as stock-in-trade |
| | (Net Sales/ Average Inventory) | | | | |
| (f) | Trade Receivables turnover ratio | NA | NA | NA | - |
| | (Net Sales/ Average accounts receivable) | | | | |
| (g) | Trade payables turnover ratio | 108.33 | 6.19 | 1649.68% | Variance is due to increase in provisions for the expenses for which invoices not received before the end of Financial Year |
| | (Net Purchases/ Average accounts payable) | | | | |
| (h) | Net capital turnover ratio | 0.70 | 0.06 | 1175.02% | Variance is due to increase in sales on account of sale of land held as Inventory. |
| | (Net Sales / Working Capital) | | | | |
| (i) | Net profit ratio | 45.22% | 31.57% | 13.65% | No Substantial Variance |
| | (Profit After Tax / Net Sales) | | | | |
| (j) | Return on Capital employed | 25.92% | 1.26% | 24.66% | No Substantial Variance |
| | (EBIT /(Net Worth- Intangible Asset+ Deferred Tax Liability) | | | | |
| (k) | Return on investment | 21.14% | 83.83% | -63% | Decrease of Gain in Fair Value of Listed Investment. |
| | (Gain on Investment / Total Investment) | | | | |

8) Previous year's figures have been regrouped / re-arranged wherever necessary. Some of the balances are subject to confirmation.



- 9) In the opinion of the Management, the balances shown under Sundry Debtors, Loans and Advances have approximately the same realizable value as shown in Accounts. Party balances are subject to confirmation.

Signatures to Notes 1 to 33
As per our report of even date attached

For Paresh Jairam Tank & Co.

Chartered Accountants

Firm Reg. No: 139681W.

CA Paresh Jairam Tank

Partner

Membership No: 103605

UDIN: 22103605 AJUkMO4989

For and on behalf of the Board of Directors

S.S. Raison

Mrs. Shobha Raison

Managing Director

Pritam Raison

Mr. Pritam Raison

Chief Financial Officer

Ravindra Sharma

Mr. Ravindra Sharma

Director

Harsha Bandhekar

Ms. Harsha Bandhekar

Company Secretary

Nagpur, 23rd May, 2022

Nagpur, 23rd May, 2022





Off : 101, Laxminarayan Enclave, Opp. Dhantoli Garden Main Gate, Bhivapurkar Marg, Dhantoli Nagpur-440012
Tel : 0712-2447602, Mail-id : tankparesh@yahoo.com

Independent Auditor's Limited Review Report on the Quarterly and Year to Date Unaudited Financial Results of Shradha Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended)

Review Report

**To The Board of Directors of
Shradha Industries Limited**

1. We have reviewed the accompanying Statement of "Unaudited Financial Results of **Shradha Industries Limited** ("the company") for the quarter and half year ended 30th September, 2022 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) (the "Listing Regulations").
2. This statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





PARESH JAIRAM TANK & Co.

CHARTERED ACCOUNTANTS

Off : 101, Laxminarayan Enclave, Opp. Dhantoli Garden Main Gate, Bhivapurkar Marg, Dhantoli Nagpur-440012
Tel : 0712-2447602, Mail-id : tankparesh@yahoo.com

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Paresh Jairam Tank & Co.

Chartered Accountants

Firm Reg. No. 139681W



CA. Paresh Jairam Tank

Partner

Membership No. 103605

UDIN: 22103605 BCKNDE7337

Nagpur, November 07, 2022

Shradha Industries Limited
Unaudited Financial results of Shradha Industries Limited for the Quarter / Half year ended September 30, 2022
CIN: L51227MH1990PLC054825
Registered Office: D-91, Midc, Jalgaon, Maharashtra-425001 India

(₹ in hundreds except per share data and ratios)

| Sr. No. | PARTICULARS | Quarter ended | | | Half year | | Year Ended March 31, 2022 |
|---------|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| | | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| I | Revenue from operations | 6,968.22 | 1,47,856.42 | 1,410.00 | 1,54,824.64 | 2,210.00 | 9,40,039.42 |
| II | Other Income | 25,687.81 | 21,358.99 | 85,880.00 | 47,046.80 | 97,840.00 | 1,32,794.67 |
| III | Total Income (I+II) | 32,656.04 | 1,69,215.41 | 87,290.00 | 2,01,871.45 | 1,00,050.00 | 10,72,834.10 |
| IV | Expenses | | | | | | |
| | Cost of goods sold | - | - | - | - | - | 4,27,826.98 |
| | Purchase of stock-in-trade | 6,853.81 | 1,37,635.59 | 1,390.00 | 1,44,489.41 | 2,150.00 | 34,372.46 |
| | Employee benefit expense | 6,011.97 | 5,864.29 | 5,170.00 | 11,876.26 | 10,420.00 | 21,197.04 |
| | Depreciation and amortisation expense | 6.87 | 6.87 | 60.00 | 13.74 | 170.00 | 190.46 |
| | Other Expenses | 1,549.16 | 812.11 | 1,410.00 | 2,361.27 | 3,560.00 | 6,975.83 |
| | Total expenses (IV) | 14,421.81 | 1,44,318.87 | 8,030.00 | 1,58,740.68 | 16,300.00 | 4,90,562.78 |
| V | Profit/ (loss) before tax (III-IV) | 18,234.23 | 24,896.55 | 79,250.00 | 43,130.77 | 83,750.00 | 5,82,271.31 |
| VI | Tax expense | | | | | | |
| | a) Current Tax | 4,194.56 | 6,435.08 | 16,630.00 | 10,629.62 | 17,650.00 | 1,57,896.34 |
| | b) Earlier period income tax | 11,878.53 | - | 80.00 | 11,878.53 | 80.00 | 10.25 |
| | c) Deferred Tax | (39.87) | 315.31 | (1,230.00) | 275.44 | (1,070.00) | (687.88) |
| | Total Tax Expense | 16,033.22 | 6,750.37 | 15,480.00 | 22,783.59 | 16,660.00 | 1,57,218.71 |
| VII | Profit/ (loss) for the period (V - VI) | 2,201.01 | 18,146.17 | 63,770.00 | 20,347.18 | 67,090.00 | 4,25,052.61 |
| VIII | Other comprehensive income | | | | | | |
| | A (i) Items that will not be reclassified to profit or loss: | | | | | | |
| | Revaluation of Listed Equity Instruments | 1,59,105.39 | (77,858.51) | 7,610.00 | 81,246.88 | 2,08,190.00 | 1,56,570.00 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 16,546.96 | (8,097.29) | (96,610.00) | 8,449.68 | (53,310.00) | (58,660.00) |
| | B (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Total Other Comprehensive Income for the period | 1,42,558.43 | (69,761.22) | 1,04,230.00 | 72,797.20 | 2,61,500.00 | 2,15,250.00 |
| | Net of Tax | | | | | | |
| | Total Comprehensive Income for the period (VII+VIII) | 1,44,759.44 | (51,615.05) | 1,68,000.00 | 93,144.39 | 3,28,590.00 | 6,40,302.61 |
| | Paid up share capital (par value of Rs. 10/- each fully paid) | 1,24,390.00 | 1,24,390.00 | 1,24,390.00 | 1,24,392.70 | 1,24,390.00 | 1,24,392.70 |
| | Other Equity | 21,25,520.64 | 19,80,761.21 | 17,20,660.00 | 21,25,520.64 | 17,20,660.00 | 20,32,380.00 |
| | Earnings per equity share at par value of Rs. 10 each (Amount in Rupees)* : | | | | | | |
| | a) Basic: | 0.18 | 1.46 | 5.13 | 1.64 | 5.39 | 34.17 |
| | b) Diluted | 0.18 | 1.46 | 5.13 | 1.64 | 5.39 | 34.17 |

* EPS is not annualised for the quarter ended September 30, 2022, June 30 2022, and September 30, 2021, and for the half year ended September 30 2022 and September 30, 2021

Shradha Industries Limited
Unaudited Financial results of Shradha Industries Limited for the Quarter / Half year ended September 30, 2022
CIN: L51227MH1990PLC054825
Registered Office: D-91, Midc, Jalgaon, Maharashtra-425001 India

Ratios:

| Ratios | Quarter Ended | | | Half Year Ended | | Year Ended March 31, 2022 (Audited) |
|---|-----------------------|---------------|-----------------------|-----------------------|-----------------------|---|
| | September 30, 2022 | June 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 | |
| Debt Service Coverage Ratio [(Profit/(loss) before exceptional items and tax+Interest on Borrowings)/(Interest on Borrowings + Repayment of Borrowings)] | NA | NA | NA | NA | NA | NA |
| Debt Equity Ratio [Total Debt/ Equity] | NA | NA | NA | NA | NA | NA |
| Current Ratio [Current assets/ Current liabilities] | 57.81 | 6.27 | 59.31 | 57.81 | 59.31 | 11.40 |
| Debtors Turnover Ratio [Revenue from operations / Average Trade | 0.16 | 1.69 | NA | 3.65 | NA | NA |
| Trade Payables Turnover Ratio [Net Credit Purchases / Average Trade payables] | 1.44 | 1.43 | 92.67 | 30.45 | 143.33 | 108.33 |
| Inventory Turnover Ratio [Raw material consumed / average inventory] | NA | NA | 0.01 | NA | 0.01 | 9.23 |
| Net Profit Margin (%) [Net profit after tax / Revenue from continuing operations] | 31.59% | 12.27% | 4522.70% | 13.14% | 3035.29% | 45.22% |
| Return on Equity (%) [Net profit after tax - Preference Dividend / Average Shareholder's Equity] | 0.10% | 0.85% | 3.79% | 0.92% | 3.99% | 23.14% |
| Net Capital Turnover Ratio (Net Sales/ Working Capital) | 0.01 | 0.11 | 0.0015 | 0.1139 | 0.0023 | 0.70 |
| Return on Capital Employed (%) (Earning before interest and tax)/ (Capital Employed) | 0.81% | 1.14% | 4.13% | 1.84% | 4.37% | 25.92% |

Notes

- These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 07, 2022. The auditors have expressed an unqualified report on above results.
- The financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 as amended and other recognised accounting practices and policies to the extent possible. The financial results for the quarter and half year ended on September 30 2022, have been prepared in accordance with the recognition and measurement principles laid down in Ind AS- 34 "Interim Financial Reporting".
- Segment wise reporting as required by Ind AS 108-Operating Segments is not applicable since the major operation of the company is through one segment only.
- Previous quarter's / year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current quarter's / year's classification / disclosure.
- There is no significant impact with respect to COVID 19 pandemic during the half year ended September 30, 2022.
- The results of the company are also available on stock exchange website -www.mseil.in and on the company website.

For and on behalf of the Board of Directors
For Shradha Industries Limited

Mrs. Shobha Raisoni
Sd/-
Managing Director
DIN:00162943
Nagpur, November 07, 2022

SHRADHA INDUSTRIES LIMITED
Unaudited Balance sheet as at September 30, 2022
CIN: L51227MH1990PLC054825

(₹ In Hundreds)

| Particulars | Note No | As at 30th September, 2022 | As at 31st March, 2022 (Audited) |
|--|---------|-------------------------------|--|
| I. ASSETS | | | |
| A. Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 3,168.58 | 3,182.32 |
| (b) Financial assets | | - | - |
| (i) Investments | 4 | 9,78,220.65 | 8,97,048.17 |
| (ii) Other Financial assets | 5 | 220.00 | 220.00 |
| (c) Other non-current assets | 6 | 7,500.00 | 7,500.00 |
| Total Non-current assets | | 9,89,109.23 | 9,07,950.49 |
| B. Current assets | | | |
| (a) Inventories | 7 | - | - |
| (b) Financial Assets | | - | - |
| (i) Trade receivables | 8 | 84,722.68 | - |
| (ii) Cash and cash equivalents | 9 | 2,815.98 | 2,433.07 |
| (iii) Loans | 10 | 12,50,453.48 | 14,49,803.48 |
| (iv) Other financial assets | 11 | 41,673.86 | - |
| (c) Current tax assets (net) | 12 | 387.74 | 387.74 |
| (d) Other current assets | 13 | 3,501.71 | 15,046.05 |
| Total Current assets | | 13,83,555.44 | 14,67,670.34 |
| TOTAL ASSETS | | 23,72,664.67 | 23,75,620.83 |
| II. EQUITY AND LIABILITIES | | | |
| A. Equity | | | |
| (a) Equity share capital | 14 | 1,24,392.70 | 1,24,392.70 |
| (b) Other equity | 15 | 21,25,520.64 | 20,32,376.26 |
| Total Equity | | 22,49,913.34 | 21,56,768.96 |
| B. Liabilities | | | |
| B.1 Non-current liabilities | | | |
| (a) Provisions | 16 | 65.15 | 65.15 |
| (b) Deferred tax liabilities (Net) | 17 | 98,752.46 | 90,027.35 |
| Total Non-current liabilities | | 98,817.61 | 90,092.50 |
| B.2 Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables: | 18 | | |
| (A) Total outstanding dues of micro enterprise and small enterprises | | 8,335.50 | - |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 545.90 | 609.61 |
| (ii) Other financial liabilities: | 19 | 3,078.46 | 1,035.00 |
| (b) Other current liabilities | 20 | 470.52 | 1,876.17 |
| (c) Provisions | 21 | 0.22 | 0.22 |
| (d) Current tax liabilities (Net) | 22 | 11,503.11 | 1,25,238.37 |
| Total Current liabilities | | 23,933.71 | 1,28,759.37 |
| Total liabilities | | 1,22,751.32 | 2,18,851.87 |
| TOTAL EQUITY AND LIABILITIES | | 23,72,664.67 | 23,75,620.83 |
| For and on behalf of the Board of Directors | | | |
| For Shradha Industries Limited | | | |

Mrs. Shobha Raison
Sd/-
Managing Director
DIN: 00162943
Nagpur, November 07, 2022

Shradha Industries Limited
Unaudited Cash Flow Statement for the half year ended September, 2022
CIN: L51227MH1990PLC054825

(₹ In Hundreds)

| Particulars | For the Half Year ended 30th September, 2022 | For the Half Year ended 30th September 2021 |
|--|---|--|
| A) Cash Flow from Operating Activities | | |
| Net Profit before Tax | 43,130.78 | 83,750.00 |
| Adjustments for Non-Cash Items: | - | - |
| Depreciation | 13.74 | 170.00 |
| Interest Income | (41,673.86) | - |
| Profit on sale of Asset | - | (74,630.00) |
| Profit on sale of Investment | (5,372.94) | - |
| Derecognition of Asset | - | 268.76 |
| Operating profit before working capital changes | (3,902.28) | 9,548.76 |
| Adjustment for Working Capital Changes : | | |
| Changes in Inventories | - | (46,210.00) |
| Changes in Trade Payables | 8,271.79 | (20.00) |
| Changes in Trade Receivables | (84,722.68) | - |
| Changes in Other Current Liabilities | (1,405.64) | (2,090.00) |
| Changes in Other Current Assets | 11,544.34 | (1,800.00) |
| Changes in Other Current Financial Assets | (41,673.86) | (23,080.00) |
| Changes in Other Current Financial Liabilities | 2,043.46 | 1,380.00 |
| Changes in Non-Current Provisions | - | - |
| Changes in Current Provisions | - | 0.22 |
| Changes in Non Current Assets | - | (12,880.00) |
| Total working capital changes | (1,05,942.60) | (84,699.78) |
| Direct Taxes Paid (Net) | (1,24,364.88) | - |
| Current Tax Asset | - | - |
| Current Tax liability | (1,24,364.88) | - |
| Deferred Tax | - | - |
| Taxes of earlier years | (11,878.53) | - |
| Net Cash From Operating Activities (A) | (2,46,088.29) | (75,151.02) |
| B) Cash Flow from Investing Activities | | |
| Proceeds from Loans | 1,99,350.00 | (13,000.00) |
| Sale of Property, Plant and Equipment | (0.00) | 82,500.00 |
| Changes in Investments | 74.40 | - |
| Profit on Sale of Investment | 5,372.94 | - |
| Net Cash used in Investing Activities (B) | 2,04,797.34 | 69,500.00 |
| C) Cash Flow from Finance Activities | | |
| Interest Income | 41,673.86 | - |
| Net Cash used in Financing Activities (C) | 41,673.86 | - |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C) | 382.91 | (5,651.02) |
| Opening Balance of Cash & Cash Equivalents | 2,433.07 | 8,321.12 |
| Closing Balance of Cash & Cash Equivalents | 2,815.98 | 2,670.10 |

For and on behalf of the Board of Directors
For Shradha Industries Limited

Mrs. Shobha Raisonli
Sd/-
Managing Director
DIN: 00162943
Nagpur, November 07, 2022

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

ACCOUNTING RATIOS

The following table presents certain accounting and other ratios derived from our Audited Financial Statements included in "Financial Statements"

| (Rs. In Hundreds) | | |
|--|----------------------------------|--------------------------------|
| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Earnings Per Share (EPS) (Basic and Diluted) (₹) | Basic 34.17/- Diluted 34.17/- | Basic 1.23/- Diluted 1.23/- |
| Return on Net Worth (excluding revaluation reserve) (in %) | 31.01% | 1.62% |
| Net Asset Value per share (₹) | 173.38 | 121.91 |
| EBITDA | 5,82,461.77 | 21,047.73 |
| EBITDA (%) | 61.96% | 43.48% |

These ratios have been computed as under:

- Earnings Per Share (RS):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (RS):** Net Assets as at the yearend/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA** Profit before tax plus finance costs plus depreciation and amortization expenses less interest income.
- EBITDA (%):** [EBITDA/ (Revenue-Interest Income)] * 100

CAPITALIZATION STATEMENT

The following tables present the capitalization statement as per the Financial Information as March 31, 2022 and as adjusted for the Issue of our Company:

| (Rs. In Hundreds) | | |
|--|--------------------------------|-------------------------|
| Particulars | Pre-Issue as at March 31, 2022 | As Adjusted Post Issue* |
| Total Borrowings: | | |
| Current Borrowings (A) | 0.00 | 0.00 |
| Non-Current borrowings (including current maturities) (B) | 0.00 | 0.00 |
| Total Borrowings (C) = (A) + (B) | 0.00 | 0.00 |
| Total Equity: | | |
| Share Capital (D) | 1,24,392.7 | 12,19,048.40 |
| Reserve & Surplus (E) | 20,32,376.26 | 25,79,704.11 |
| Total Equity (F) = (D) + (E): | 21,56,768.96 | 3798752.51 |
| Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (C) / (F) | | |

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the MSEI Limited.

For the purpose of this section:

- 1) Year is a calendar year;
- 2) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- 3) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- 4) In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high and low prices recorded on the Metropolitan Stock Exchange of India Limited (MSE) with the respective Indices (SX40) are as under:

| Month | Share Price of SIL | | SX40 | |
|----------------|--------------------|-------|----------|----------|
| | MSE | | | |
| | High | Low | High | Low |
| April 2022 | 53.80 | 53.50 | 35593.33 | 33286.8 |
| May 2022 | 50.85 | 45.95 | 33573.52 | 30932.97 |
| June 2022 | 45.95 | 45.95 | 32670.42 | 30006.66 |
| July 2022 | 45.95 | 45.95 | 33605.3 | 30865.59 |
| August 2022 | 45.95 | 45.95 | 35217.91 | 33605.3 |
| September 2022 | 45.95 | 45.95 | 35393.51 | 32890.61 |
| October 2022 | 45.95 | 45.95 | 35357.79 | 33100.58 |
| November 2022 | 45.95 | 45.95 | 36772.6 | 35357.79 |
| December 2022 | 45.70 | 45.70 | 36872.11 | 34771.66 |
| January 2023 | 48.85 | 46.60 | 35643.8 | 34839.47 |

The Issue Price of Rs.15/- has been decided by the Board in consultation with the Lead Manager.

SECTION VI – LEGAL AND OTHER INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with the “Financial Statements” beginning on page 50. 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 also read “Risk Factors” and “Forward Looking Statements” beginning on page 19 and 16, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS as applicable, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Audited Standalone Financial Statements, included in this Letter of Offer. For further information, refer “Presentation of Financial, Industry and Market Data” and “Financial Statements” on page 14 and 50 respectively. The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “Financial Statements” on page 49. Except as mentioned in section “Financial Information” on page 49, there has been no change in accounting policies in last 3 years. The Auditors’ Report does not contain any qualification, reservation, adverse remark or disclaimer. To the best of our knowledge no circumstances have arisen since March 31, 2022, the date of the last audited financial information disclosed in this letter of offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

There are no outstanding litigations involving our Company and our Subsidiaries including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material' and our Company is not involved in any litigation involving issues of moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences, which are currently pending.

Our Company, from time to time, has been and continues to be involved in legal proceedings, arising in the ordinary course of its business. These legal proceedings are in the nature of civil as well as tax proceedings and we believe that the number of proceedings in which it is involved is not unusual for companies of its size doing business in India. It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company is impleaded as a defendant in litigation proceedings before any judicial forum.

1. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR A FRAUDULENT BORROWERS

Neither our Company or the Promoters and nor our Directors are or have been classified as a wilful defaulter or a fraudulent borrowers by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by RBI.

2. MATERIAL CHANGES AND COMMITMENTS

We confirm that other than the disclosures made in the financial statements as appearing in this Letter of Offer, there are no material changes and commitments affecting the financial position of the company.

3. MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST AUDITED ACCOUNTS

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e. March 31, 2022, which may materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary comments, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and license that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

There are no material pending regulatory and government approvals and no pending renewals of license or approvals in relation to the activities undertaken by our Company, or in relation to the Issue.

APPROVALS FROM GOVERNMENT / REGULATORY AUTHORITY IN RELATION TO OUR BUSINESS:

Material approvals for which applications have been made by our Company but are currently pending grant: NIL

Material approvals which have expired and for which renewal applications have been made by our Company: NIL

Material approvals which have expired and for which renewal applications are yet to be made by our Company: NIL

Material approvals for which no application has been made by our Company: NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has pursuant to a resolution passed in its meeting held on November 18, 2022 authorized this Issue.

Our Company has applied for 'in-principle' approvals from the MSE for listing of the Rights Equity Shares to be allotted in the Issue Pursuant to their letters dated 28/12/2022.

Our Board in their meeting held on 18th November 2022 have determined the Issue Price as Rs.15/- per Rights Equity Share and the Rights Entitlement as 44 Rights Equity Share(s) for every 5 Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager to the Issue.

Prohibition by SEBI or RBI or other governmental authorities

Our Company, the Promoters, the members of the Promoter Group and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors of our Company are associated with the securities market in any manner.

We confirm that none of our Promoters or Directors is a fugitive economic offender.

Eligibility for the Issue

Our Company is eligible to make this Rights Issue in terms of Chapter III of SEBI ICDR Regulations. Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the MSEI in compliance with the SEBI Listing Regulations and listing agreements (to the extent applicable) for the last three years immediately preceding the date of filing of this Letter of Offer with SEBI;
2. The reports, statements and information referred to in paragraph (a) above are available on the website of MSEI with nationwide trading terminals or on a common e-filing platform specified by SEBI
3. Our Company has investor grievance-handling mechanism which includes meeting of the Shareholders/Investors Grievance Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 62(1) of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 62(1), to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications for "in-principle" approval for listing of the Rights Equity Shares to MSEI. We have received such approvals from the MSEI vide their letters dated 28/12/2022. We will apply to the MSEI for final approval for the listing and trading of the Rights Equity Shares. Our Company has chosen MSEI Ltd as the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

This Letter of Offer shall be filed with SEBI in terms of SEBI ICDR Regulations although the size of issue is not exceeding Rs. 50 crores.

Disclaimer Statement from our Company and the Lead Manager:

We and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at her/his own risk.

We and the Lead Manager shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in the Letter of Offer. You must not rely on any unauthorized information or representations.

The Letter of Offer is rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in the Letter of Offer is current only as of its date.

Investors who invest in the Issue will be deemed to have represented to us and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Jaipur and Nagpur, only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be MSEI Limited.

Disclaimer clause of MSEI

As required, a copy of Draft Letter of Offer has already been submitted to MSEI. All the comments as intimated by MSEI to us, post scrutiny of the Draft Letter of Offer has been included in this Letter of offer prior to filing Letter of offer with the MSEI

Filing

For details, please refer Section Titled “*General Information*” on page 25 of this Letter of Offer.

Selling Restrictions

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below.

The distribution of the Letter of Offer, the Abridged Letter of Offer and CAFs and the issue of Rights Entitlements and the Rights Equity Shares to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer and CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, the Abridged Letter of Offer and CAFs or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI for observations.

Accordingly, none of this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and CAFs or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction outside India and the Rights Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If the Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and the Rights Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Estimated Issue Related Expenses

The Issue related expenses consist of fees payable to the Lead Manager, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately 50,000.00 Rs towards these expenses, a break-up of the same is as follows:

| <i>(₹ in Hundreds)</i> | | | |
|--|-------------------|---------------------|----------------------|
| Activity | Estimated Expense | % of Total Expenses | As a % of Issue Size |
| Fees payable to the intermediaries (including Lead Manager fees including underwriting commission if any, brokerage, Legal Counsel fees, selling commission, registrar fees and expense) | 30,600.00 | 61.2 | 1.86 |
| Advertising and marketing expenses Printing, stationery and distribution Expenses | 1,500.00 | 3 | 0.09 |
| Regulatory including stock exchange and other statutory expenses | 16,200.00 | 32.4 | 0.99 |
| Other Miscellaneous Expense | 1,700.00 | 3.4 | 0.10 |
| Total | 50,000.00* | 100 | 3.04 |

*Excluding related goods and service Tax

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Mr. Swapnil Agrawal (Chairman), Mr. Ajay Gandhi (Member) and Mr. Kalpesh Bafna (Member). The broad terms of reference include redressal of investors' complaints pertaining to share / debenture transfers, non-receipt of annual reports, interest / dividend payments, issue of duplicate certificates etc. Our Company has been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Investor grievances are tracked online by our Company.

Status of outstanding investor complaints in relation to our Company

As on the date of this Letter of Offer, there were no outstanding investor complaints in relation to our Company.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Skyline Financial Services Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post- Issue correspondence. The agreement between our Company and the Registrar provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning at page number 110 of this Letter of Offer.

The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint. **Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc.** The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue



Skyline Financial Services Pvt. Ltd.
Phone No- +91-22 62215779/ +91-22 28511022
Email: subhashdhingreja@skylinerta.com
Website: www.skylinerta.com
Contact Person: Mr. Subhash Dhingreja
SEBI Registration No.: INR000003241

Compliance Officer
Ms. Harsha Bandhekar
Company Secretary

Ph.: 0712-6617181/82
Direct: +91-9284535330
Email: harsha.bandhekar@raisoni.net

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

The Rights Equity Shares proposed to be issued in the Issue, are subject to the terms and conditions contained in this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form (“CAF”), the Memorandum of Association and Articles of Association of our Company, the provisions of the Companies Act, FEMA, SEBI ICDR Regulations, SEBI Listing Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by SEBI, the RBI, the Government of India and/or other statutory and regulatory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or demat credit of securities and rules as may be applicable and introduced from time to time.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of SEBI circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue by using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights and obligations of the Eligible Equity Shareholders in relation to Applications pertaining to the Issue shall apply to Renouncee(s) as well.

Allotment of Rights Equity Shares pursuant to this Rights Issue shall be only in dematerialized form. Hence, the physical shareholders shall be required to provide their demat account details to the Company / Registrar to the Issue for credit of their Rights Entitlements not later than two working days prior to the issue closing date.

Important:

Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April

21, 2020 and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “ASBA Circulars”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application” on page 117.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. Our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

Basis for the Issue:

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders (“Investors”) of our Company whose names appear, (i) as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and (ii) on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, Wednesday January 25, 2023 fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

PRINCIPAL TERMS AND CONDITIONS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE

Face Value

Each Equity Share shall have the face value of 10/-.

Issue Price

Each Equity Share is being offered at a price of Rs.15/- (including a premium of Rs.10/- per Rights Equity Share). The Issue Price has been arrived at, by us in consultation with the Lead Manager.

Terms of payment – Full amount is Payable on application.

Ranking of Equity Shares

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Rights Entitlement (“REs”) (Rights Equity Shares)

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e. Wednesday January 25, 2023 you are entitled to the number of Rights Equity Shares in the ratio of 44 Rights Equity Shares for every 5 Equity Shares held on the Record Date. Details of your rights entitlement will be sent to you separately along with the CAF.

Details of respective Eligible Equity Shareholder's entitlement would also be available on the website of the Registrar to the Issue (<http://www.skylinerta.com>) and on the website of our Company at (<https://shraddhaindustries.com/>) which can be checked by keying the requisite details therein.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have a registered address in India. The distribution of the Letter of Offer/ Abridged Letter of Offer and the issue of securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/ Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction.

Eligible Equity Shareholders can also download the CAF from the website of the Registrar to the Issue being (<http://www.skylinerta.com>)

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 44 Rights Equity Shares for every 5 Equity Shares held on the Record Date.

Fractional Entitlements

As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, in case of fractional entitlements of RE's to be credited before issue opening date, the fractional part shall be ignored by rounding down the entitlement.

Process of credit of Rights Entitlements

As per the SEBI – Rights Issue Circular issued in order to streamline the process of the rights issue, SEBI has introduced dematerialized Rights Entitlements and the process with respect to the credit of rights entitlements and renunciation thereof is as set out below:

- (1) A separate temporary ISIN No. INE489B20015 has been obtained by our Company for credit of REs in demat account of the Eligible Equity Shareholders.
- (2) Based on the rights entitlement ratio, RE's will be credited to the demat account of eligible equity shareholders in dematerialized form before the opening of the issue.
- (3) The physical shareholders are required to provide their demat account details to the Company / Registrar to the Issue for credit of their RE's not later than two working days prior to the issue closing date being Tuesday, February 28, 2023 such that the credit of the RE's in their demat account takes place at least one date prior to the issue closing date.
- (4) The REs will be credited in the demat account of the Eligible equity shareholder on or before 15th February 2023 through a corporate action by our company and the separate ISIN so obtained for the REs will be kept frozen (for debit) in the depository system till the date of opening of the issue i.e. Thursday, February 16, 2023 .
- (5) If the demat account of the eligible equity shareholder is frozen or demat account details are not available, including shares held in unclaimed suspense account or in the account of Investor Education and Protection Fund Authority, then REs of such eligible equity shareholders will be credited in a suspense escrow demat account of our Company and an intimation will be sent to such eligible equity shareholder by the Registrar to the Issue.
- (6) Eligible Equity Shareholders can either apply or renounce full or part of their REs. Eligible Equity Shareholders shall apply for the REs through ASBA facility only. For details, see "Terms of the Issue- procedure for application" on page number 110 of this Letter of Offer.
- (7) No withdrawal of application will be permitted by any Eligible Equity Shareholders after the issue closing date.
- (8) REs credited to demat account can be renounced either by sale of REs using stock exchange platform or off-market transfer.
- (9) In case the shareholders wish to renounce their REs by sale of REs through stock exchange, the eligible shareholder can place order only to the extent of REs available in his demat account. Trading in REs in such case shall be closed on Friday, February 24, 2023 being at least three working days' prior to the closure of rights issue.
- (10) In case the shareholders wish to renounce his REs by the way of off-market transfer, the eligible shareholder can do so only to the extent of REs available in his demat account. The ISIN so obtained shall be suspended for such Off-market transfers of the RE's from the issue closing date.
- (11) REs which are neither renounced nor subscribed by the shareholders, will lapse after the closure of Rights Issue.
- (12) Details of respective Eligible Equity Shareholder's entitlement would also be available on the website of the Registrar to the Issue (www.skylinerta.com) and on the website of our Company at (www.shradhhaindustries.com) which can be checked by keying the requisited details therein.

Trading of the Rights Entitlements (“REs”) on the Stock Exchange Platform

Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements credited in demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN -INE489B20015 subject to Necessary approvals.

The ISIN of REs shall be kept frozen (for debit) in the depository system till the date of the opening of the issue.

The company would submit details of total REs credited to the Stock Exchange and shall obtain requisite trading approval of such RE's From the stock exchange.

The Eligible equity shareholders can place order for sale only to the extent of REs available in the demat account of the eligible equity shareholders. RE's credited to the demat account of the respective eligible equity shareholders duly renounced by them by the way of sale through stock exchange platform, would be settled by transferring the dematerialized RE's through depository system in the same manner as done for all the other types of securities.

Trading in REs shall commence on the date of opening of the issue.

Trading in the REs on the secondary market platform of the stock exchange will happen electronically on T+2 rolling settlement basis. The transactions will be settled on trade-for-trade basis.

Thus, trading in REs in such case shall be closed on Friday, February 24, 2023 being least three working days' prior to the closure of rights issue.

Listing and trading of the Rights Equity Shares proposed to be issued under the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. INE489B20015 for REs so obtained will be permanently deactivated from the depository system.

Our Company's existing Equity Shares are listed and traded on MSE (Scrip code: SHRADHAIND), under the ISIN: INE489B01015 Industry: SUPPORT SERVICE

Post the closure of the issue and approval of the basis of allotment from the designated stock exchange, the Rights Equity Shares to be allotted pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and be available for trading.

The listing and trading of the Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the schedule. Upon Allotment, the Rights Equity Shares shall be traded on Stock Exchanges in the demat segment only.

Our Company has made applications to the Stock Exchanges seeking 'in-principle' approval for the listing of the Rights Equity Shares pursuant to the Issue in accordance of SEBI Listing Regulations and has received such approval from MSE pursuant to their letter no. MSEI/LIST/2022/1450 dated December 28, 2022 . All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within fifteen working days from finalization of the basis of allotment. All steps for the completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares to be allotted pursuant to the Issue shall be taken in accordance with law. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on MSE under the existing ISIN for Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote either in person or by proxy;
- Right to receive offers for equity shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of our Company.

Intention and extent of participation by our Promoters and Promoter Group in the Issue

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated 18/11/2022 (the “Subscription Letters”) undertaken that they may (i) subscribe to their Rights Entitlements in the Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally within the Promoter(s) or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. In the event the minimum subscription to be received in the issue is not received, the unsubscribed portion shall be subscribed by the underwriter of the issue – in compliance with the SEBI ICDR Regulations.

The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4) (a) and 10(4) (b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription

If our Company does not receive the minimum subscription of 90 % of the Issue (i.e. Net Issue), our Company shall refund the entire subscription amount, not later than fifteen working days from the closure of the Issue. In the event there is a delay in unblocking of ASBA beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association of our Company. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered valid

Nomination

Since the allotment of Rights Equity Shares will be made only in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant ("DP") of the investor would prevail. Any investor desirous of changing the existing nomination is requested to inform their respective DP.

Arrangements for Disposal of Odd Lots

Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one (1) English national daily newspaper with wide circulation, one (1) Hindi national daily newspaper with wide circulation, also the vernacular language of the region where the Registered Office is situated and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Eligible Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time or the Indian address provided by the Eligible Equity Shareholders from time to time.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Regulation 6 of Notification No. FEMA 20(R)/2017- RB dated November 07, 2017, the RBI has given general permission to Indian companies to issue equity shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Rights Equity Shares are issued CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue and would also be available on the website of the Registrar to the Issue.

In case of change of status of holders, that is, from Resident to Non-Resident, a new demat account must be opened.

By virtue of circular no.14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Rights Equity Shares. 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 incorporated Non-Resident entities.

PROCEDURE FOR APPLICATION

How to Apply

The Application Form will be printed in black ink for all Eligible Equity Shareholders. The Application Form along with the Abridged Letter of Offer will be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the Application Form are not received by the Investor or is misplaced by the Investor, they can download the same from the website of the Registrar to the issue at www.skylinerta.com or can obtain printed Application Form from our Company, the Lead Manager or the Registrar.

The Application Form can be used both by the Shareholder or Renouncee.

Please note that in accordance with the provisions of the SEBI – Rights Issue Circular, all Eligible Equity Shareholder(s) (including renouncee) shall make an application for a rights issue only through ASBA facility.

Please also note that by virtue of circular no. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs") have been de-recognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

Application Form ("CAF")

The Registrar will dispatch the CAF along with the Abridged Letter of Offer to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date.

Applicants may choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see "Terms of the Issue - Application on Plain Paper" on page number 122 of this Letter of Offer.

Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity shareholders shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

Investors are also advised to ensure that the Application Form is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Mode of Payment

The Eligible Equity Shareholders applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the Application Form until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue's instruction from the ASBA Account. This amount will be transferred in terms of SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB.

The Eligible Equity Shareholder would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on application mentioned in the Application Form. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above mentioned link.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Availability of Issue Materials

The Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- Our Company at: www.shradhhaindustries.com
- The Registrar to the Issue at: www.skylinerta.com
- The Lead Managers at: www.kreocapital.com
- The Stock Exchanges at: www.msei.in

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.skylinerta.com and on the website of our Company at (www.shradhhaindustries.com.) Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

1. Resident Eligible Equity Shareholders

Resident Eligible Equity shareholders can apply through ASBA application by electronic mode or shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

In case the CAF is not received by the Eligible Equity shareholder or is misplaced by them, then the Eligible Equity shareholder may request the printed forms of same from the Company, Registrar to the Issue or the Merchant Banker to the Issue.

Eligible Equity Shareholder(s) can also download the application form which will be available on the website of the Registrar to the issue at www.skylinerta.com.

2. Non-Resident Eligible Equity Shareholders

The CAF to the Eligible Equity shareholder(s) being a Non-Resident Indian shall be sent at their Indian address only as per Company/DP records. Such shareholders can apply through ASBA (facility provided for NRE/NRO accounts) application by electronic mode or shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

In case the CAF is not received or is misplaced, then the Non-Resident Eligible Equity shareholder may request the printed forms of same from the Company, Registrar to the Issue or the Lead Manager to the Issue.

Non-Resident Eligible Equity Shareholder(s) can also download the application form which will be available on the website of the Registrar to the issue at www.skylinerta.com.

Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the CAF to the SCSB. Eligible Non-Resident Equity Shareholders applying on non-repatriation basis are advised to use the CAF for residents (white in colour). Eligible Non-Resident Equity Shareholders applying on a repatriation basis are advised to use the CAF meant for Non-Residents (blue in colour).

Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investor has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Entitlement offered without renouncing them in whole or in part in favour of any other person(s). Renouncee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page number 110 of this Letter of Offer. If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in the CAF. Those applying through the electronic mode are required to punch in their requirement for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s).

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 and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Entitlement offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot the Rights Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositors); (iv) HUF (however, you may renounce your Rights Entitlements to the Karta of an HUF acting in his capacity of Karta); or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorised under its constitution or bye-laws to hold equity shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of “U.S. Persons” (as defined in Regulation S) or persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

The CAF can be used by both the Eligible Equity Shareholder and the Renouncee. The renouncee can make the application in electronic mode only if such facility is available with such SCSBs. In case where the application through electronic mode is not available with the SCSB, the renouncee shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

Renouncee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue. Renouncee(s) are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB. The list of SCSBs would be available on the reverse of the CAF.

This right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof

Procedure for renunciation

The Investors holding Rights Entitlements in dematerialized form in their demat account can renounce the same either in full or in part in favour of any other person or persons in India only either a) by using the secondary market platform of the Stock Exchanges (“**On Market Renunciation**”) or b) through off market transfer (“**Off Market Renunciation**”) during the Renunciation Period.

a) On Market Renunciation

The Investors holding Rights Entitlements in dematerialized form in their demat account can renounce the same by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company are being traded.

In this connection, in terms of provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements credited in demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN - INE489B20015 . The details for trading in Rights Entitlements will be as specified by MSEI from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlement. The trading in Rights Entitlements on the Stock Exchange shall commence from the Issue Opening Date i.e Thursday, February 16, 2023 and shall close on Friday, February 24, 2023 (both days inclusive) or such other extended date as may be determined by our Board from time to time.

The Investors holding the Rights Entitlements in their demat account who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN - INE489B20015. and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

The Investors who intend to trade in the Rights Entitlements should consult their respective stock brokers for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the stock brokers for trading in Rights Entitlements.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expense (including brokerage) levied by the stock brokers, and such costs will be incurred solely by the Investors.

b) Off Market Renunciation

The Investors holding Rights Entitlements in dematerialized form in their demat account can renounce the same through off market transfer through a depository participant in the same manner as the existing Equity Shares of our Company can be transferred.

The Rights Entitlements can be transferred in dematerialized form only. The Rights Entitlements can be renounced through off market transfer from the Issue Opening Date i.e Thursday, February 16, 2023 or such other extended date as may be determined by our Board from time to time.

The Investors holding the Rights Entitlements in their demat account who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN - INE489B20015 , the details of the buyer and the details of the Rights Entitlements they intend to transfer.

The buyer of the Rights Entitlements (unless he has already given a standing receipt instruction) must issue a receipt instruction slip to his depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants and only during the Renunciation Period. The transfer shall take on the execution date mentioned in the instruction slip and the settlement shall be carried out through depository transfer mechanism in the same manner as done for all other type of securities.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time

REs which are neither renounced nor subscribed by the shareholders, will lapse after the closure of Rights Issue.

Availability of Application Form

The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.

In case the CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the printed forms of same from the Company, Registrar to the Issue or the Merchant Banker to the Issue.

Eligible Shareholders can also download the application form which will be available on the website of the Registrar to the issue at www.skylinerta.com.

Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH APPLICANT ON THE RECORD DATE.

Is the demat account of a shareholder is frozen or demat account details are not available, including shares held in the unclaimed suspense account or in the account of IEPF Authority, the Rights Entitlement shall be credited in the suspense escrow demat account of the Company and an intimation would be sent to such a shareholder by the Company and / or the Registrar to the Issue.

Last date of Application

The last date for submission of the duly filled in the Application Form is Thursday, March 2, 2023. Our Board thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date and no withdrawal of Application shall be permitted after the issue closing.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, through ASBA application by electronic mode or shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. The submission of CAF to Designated Branch of the SCSB for ASBA applications should be done before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the CAF nor is in a position to obtain the CAF either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. The application on plain paper should contain the same details as per application form available online. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed “**Shradha Industries Limited – Right Issue**” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Shradha Industries Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of Rs.15/- per Rights Equity Share;

- Details of ASBA Account such as the account number, name, address, amount to be blocked and branch of the relevant Banker to the Issue;
- In case of non-resident investors, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the Banker to the Issue with which the account is maintained;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
- Additionally, all such Applicants shall include the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") or to or for the account or benefit of a "U.S. Person" as defined in Regulation S under the US Securities Act ("Regulation S"). I/we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement in the United States. I/we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is, a resident of the United States or a "U.S. Person" (as defined in Regulation S,) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Rights Equity Shares is/are, outside the United States, (ii) am/are not a "U.S. Person" as defined in Regulation S, and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing Representations and agreements."

Investors are requested to note that CAF or plain paper application with only foreign addresses is liable to be rejected on technical grounds. The CAF or plain paper application should contain the Indian address also if foreign address is mentioned.

General instructions for Eligible Equity Shareholders / Renouncees:

1. Please read the instructions printed on the CAF carefully.
2. As per the SEBI – Rights Issue Circular, application for a rights issue shall be made only through ASBA facility.
Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF / plain paper application must be filled in English.
3. The CAF / plain paper application in the ASBA Process should be handed over only at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to our Company or Registrar or Manager to the Issue. The onus of due completion and submission of such ASBA applications shall solely be that of the Investor.

4. Application in electronic mode will only be available with such SCSBs who provide such facility.
5. All Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, **CAFs / plain paper applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**
6. All payments will be made by blocking the amount in the bank account maintained with the SCSB.
7. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF / plain paper application as per the specimen signature recorded with our Company /or Depositories.
8. In case of joint holders, all joint holders must sign the CAF / plain paper application in the same order and as per the specimen signature(s) recorded with our Company. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
9. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue.
10. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
11. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section titled "Terms of the Issue - Application on Plain Paper under the ASBA process".
12. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Do's:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Entitlement and Rights Equity Shares will be allotted in the dematerialized form only.
- (b) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- (e) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
- (f) Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the Courts, each Applicant should mention their PAN allotted under the IT Act.

- (g) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same
- (h) Joint names and such names are in the same sequence in which they appear in the CAF.
- (i) Ensure that the Demographic Details are updated, true and correct, in all respects.
- (j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.

Don'ts:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not apply on through multiple CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- (c) Do not pay the amount payable on application in cash, by money order, pay order, postal order, cheque or demand drafts.
- (d) Do not send your physical CAFs to the Lead Manager to Issue / Registrar / to a branch of the SCSB which is not a Designated Branch of the SCSB / Bank; instead submit the same to a Designated Branch of the SCSB only.
- (e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (f) Do not apply if the ASBA account has been used for five Applicants.
- (g) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.
- (h) Do not submit more than one application form for the Rights Entitlement available in the particular demat account.

Grounds for Technical Rejection

Applications are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending CAF to a Lead Manager / the Registrar to the Issue/ the Registrar and Transfer Agent/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Bank.
- (c) Insufficient funds are available with the SCSB for blocking the amount.
- (d) Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- (e) Submission of more than one application form for the Rights Entitlement available in the particular demat account.
- (f) ASBA Account holder not signing the CAF or declaration mentioned therein.
- (g) Multiple CAFs, including cases where an Eligible Equity Shareholder submits CAFs along with a plain paper application.
- (h) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

- (j) Submitting the GIR number instead of the PAN.
- (k) ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- (m) If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- (n) Failure to provide a copy of the requisite RBI approval in relation to renunciation by non-resident ASBA Applicants.

By signing the CAFs, the Investors applying 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.

Letters intimating Allotment and unblocking would be mailed at the address of the Investor as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, the Registrar to the Issue or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or liable to pay any interest for such delay.

IT IS HEREBY INFORMED TO ALL EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM, TO EITHER GET THEIR SHARES DEMATERIALIZED OR PROVIDE DETAILS OF THEIR DEMAT ACCOUNT BEFORE OPENING OF THE RIGHTS ISSUE TO AVAIL THEIR RIGHT ENTITLEMENT.

COMPANY IS PROVIDING INTIMATION FOR DEMAT CONVERSION TO THE ELIGIBLE EQUITY SHAREHOLDER HOLDING SECURITY IN PHYSICAL FORM TO ENABLE THEM TO RECEIVE RIGHT ENTITLEMENT IN THEIR DEMAT ACCOUNT

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

Prohibition on payment of incentives

Any person connected with the issue, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the rights issue, except for fees or commission for services rendered in relation to the issue.

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by our Company as per the provisions of **Section 40 (3) of the Companies Act, 2013** (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Manager through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

Underwriting

The Issue is underwritten by the lead manager.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| | |
|---|-----------------------------|
| Issue Opening Date: | Thursday, February 16, 2023 |
| Last date for On Market Renunciation of Rights Entitlement | Friday, February 24, 2023 |
| Issue Closing Date: | Thursday, March 2, 2023 |

The Board of Directors thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not be kept open in excess of 30 (thirty) days from the Issue Opening Date and no withdrawal application by eligible equity shareholders will be allowed after issue closing date, in accordance with SEBI ICDR Regulations.

Basis of Allotment

For Eligible Equity Shareholders

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s), who has/ have applied for the Rights Equity Shares renounced in their favor, in full or in part. Allotment to Non-Resident Renouncees shall be subject to the permissible foreign investment limits applicable to our Company under FEMA.
- (b) For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Rights Equity Shares or not in multiples of 5 as on Record Date, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional entitlements are being ignored would be considered for Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares(s). Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.
- (c) Allotment to Eligible Equity Shareholders who having applied for the Rights Equity Shares in full and have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors of our Company in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential Allotment.
- (d) Allotment to the Renouncees, who having applied for the Rights Equity Shares renounced in their favour have also applied for additional Rights Equity Shares, provided there is an under-subscribed portion after making full Allotment in (a), (b) and (c) above. The Allotment of such additional Rights Equity Shares will be made on a proportionate basis at the sole discretion of our Board or any committee of our Board but in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential allotment.
- (e) Allotment to any other person as our Board may in its absolute discretion deem fit provided there is surplus available after making Allotment under (a), (b), (c), and (d) above, and if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'

(f) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Our Company shall retain no oversubscription.

Allotment Advices

Our Company will issue and dispatch Allotment advice/demat credit and the company would credit the allotted Rights Equity Shares to the respective beneficiary accounts, within a period of 15 (fifteen) working days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. Our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the specified timeline, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Advice regarding credit of the Rights Equity Shares shall be given separately to the Investors. Investors will be sent a letter through ordinary post intimating them about the unblocking of ASBA within 15 (fifteen) working days of the Issue Closing Date.

The letter of allotment would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time.

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

This Letter of Offer, the Letter of Offer, Abridged Letter of Offer and the CAF shall be dispatched to only such Non- resident Shareholders who have a registered address in India or have provided an Indian address.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the electronic form is as under:

1. Open a beneficiary account with any DP (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as is registered in the records of our Company). In case of investors having various folios in our Company with different joint holders, the investors will have to open separate accounts for such holdings. **Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.**
2. For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, their Rights Entitlement would be credited to the Demat account of the respective Eligible Equity Shareholder. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF

and shall be informed at least one day prior to the closure of the issue. It may be noted that the Allotment of Rights Equity Shares arising out of this Issue would be made in dematerialised form even if the original Equity Shares are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company.

3. Responsibility for correctness of information (including applicant's age and other details) filled in the CAF vis-à-vis such information with the applicant's DP, would rest with the Applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's DP.
4. If incomplete/ incorrect details are given under the heading 'Request for Shares in Electronic Form' in the CAF, if incomplete/ incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by our Company as specified in SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.
5. Allotment advice or letters of Allotment would be sent directly to the applicant by the Registrar to the Issue but the applicant's DP will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant's depository account.
6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of the Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, such applications by Renouncees are liable to be rejected.
7. Non-transferable allotment advice will be directly sent to the Investors by the Registrar.
8. Dividend or other benefits with respect to the Rights Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Indian 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 application clearly indicates the scheme concerned for which the application has been made. Applications made by asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

An application made by an asset management company or by custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

Procedure for Application by Systematically Important Non-Banking Financial Companies (NBFCs)

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45-IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Procedure for Application by FPIs

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) shall be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules the total holding by each FPI or an investor group, cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24 % of the total paid-up Equity Share capital on a fully diluted basis.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered 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.

Procedure for Applications by AIFs, FVCIs and VCFs

The VCF Regulations and the FVCI Regulations prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, amongst other things, the investment restrictions on AIFs.

As per the VCF Regulations and FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as category I AIFs, as defined in the AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by FEMA Non-Debt Rules. Applications will not be accepted from NRIs in restricted jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Impersonation

As a matter of abundant caution, attention of the investors is specifically drawn to the provisions of sub-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 such person, or to any other person in a fictitious name,*
- (d) shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least 1.00 million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves

- (i) an amount which is less than 1.00 million or 1.00% of the turnover of the Company, whichever is lower; and
- (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 2.00 million or with both.

Payment by Stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stock invest scheme has been withdrawn with immediate effect. Hence, payment through stock invest would not be accepted in this Issue.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes as follows:

- (a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Rights Equity Shares are proposed to be listed will be taken within 7 (seven) Working Days of finalization of Basis of Allotment.
- (c) Details with respect to unblocking of ASBA shall be dispatched to the applicants within 15 (fifteen) days of the Issue Closing Date.
- (d) The letters of Allotment/ Allotment advice to the NRs shall be dispatched within the specified time.
- (e) No further issue of securities affecting equity capital of our Company shall be made till the securities issued/ offered through this Letter of Offer are listed.

- (f) At any given time, there shall be only one denomination of Equity Shares of our Company. As on the date of this letter of offer, our company has not issued any SR equity shares and there are no outstanding SR equity shares.
- (g) Our company shall made adequate arrangements to collect ASBA applications
- (h) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- (i) The funds required for making refunds/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company
- (j) In case of refund/unblocking of the application money/amount for unsuccessful applicants or part of the application money / amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- (k) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to then Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (l) The funds required for making refunds/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

Important

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF is an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.
- It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in the section titled "Risk Factors".
- All enquiries in connection with this Letter of Offer, the Letter of Offer or accompanying CAF must be addressed to the Registrar to the Issue at the following address:

Skyline Financial Services Pvt. Ltd.

Phone No-+91-22 62215779/ +91-22 28511022

Email:subhashdhingreja@skylinerta.com

Contact Person: Mr. Subhash Dhingreja

SEBI Registration No.: INR000003241

- This Issue will be kept open for a minimum period of 15 (fifteen) days in accordance with the Articles of Association of our Company. However, the Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries / departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/ departments.

Subsequently, the DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act

as the competent authority (the “Competent Authority”) for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

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 falls under the automatic route as provided in the FDI Policy and FEMA 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 SEBI and RBI. As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

OFFER.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange,

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page number 122 of this Letter of Offer .

Note: *Shareholders making an application on a plain paper cannot renounce their rights and shall not utilise the application form for any purpose including renunciation even if it is received subsequently.*

Disclaimer Clause

The equity shares of the Company are not listed on BSE. Based on the application made by the Company, BSE has given permission to the Company to use the bidding platform of BSE i.e. Internet based-Book Building Software (iBBS) for the Rights Issue. BSE does not in any manner:

- Warrant, certify or endorse the correctness, accuracy or completeness of any of the contents of this letter of offer; and
- Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company; and
- Monitor any compliances / non-compliances, as the case may be, with respect to the filings made by the Company; and
- Will allow any person associated, directly or indirectly, including but not limited to the subscriber to the rights issue, any recourse to the investor grievance redressal mechanism including arbitration mechanism for any action undertaken in consonance with or pursuant to the letter of offer or even otherwise also.

And it should not for any reason be deemed or construed that this letter of offer has been scrutinized, cleared or approved by BSE.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever. Every person who desires to participate in the Rights Issue of the Company expressly understands that BSE is only providing its iBBS platform to the Company for its Rights Issue, that securities of the Company are listed on Metropolitan Stock Exchange, that any complaint/grievances with regards to Rights Issue has to be filed with Metropolitan Stock Exchange and that equity shares issued by the Company will not be listed at BSE pursuant to Rights Issue.

In addition to the aforesaid, to the full extent possible and permissible by law, BSE disclaims all the contents of the letter of offer, express or implied, including but not limited to the particular purpose of letter of offer vis-à-vis rights issue. It is understood and agreed that the Company's access to and use of the iBBS is at Company's own risk. BSE will not be liable for any damages of any kind arising from the use of iBBS.

BSE shall not be liable for any direct, indirect, incidental, special, consequential, or punitive damages, or any loss of capital, profit or revenue, whether incurred directly or indirectly, or any loss of data, use, goodwill or other intangible losses resulting from the letter of offer, rights issue or the use of iBBS.

Any use of the iBBS and the related services are subject to Indian laws and Courts exclusively situated in Mumbai."

SECTION VIII – STATUTORY OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. 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 Letter of Offer until the Issue Closing Date.

(A) Material Contracts

1. Appointment Agreement dated 24th November 2022 between our Company and the Lead Manager to the Issue.
2. Registrar Agreement dated 20th December 2022 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated 26th December 2022 amongst our Company, the Lead Manager, Registrar to the Issue and the Banker (s) to the Issue.
4. Underwriting Agreement dated 30th December 2022 between our company and the Underwriter to the Issue

(B) Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company.
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company.
3. Resolution of our Board of the Directors dated 18th November 2022 pursuant to section 62 of the Companies Act, 2013 authorizing the Issue.
4. Prospectus dated 11th August 1995 in respect of the initial public offering of Equity Shares by our Company.
5. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager, to the Issue, Registrar to the Issue and Bankers to our Company, to include their names in this Letter of Offer to act in their respective capacities.
6. Annual Report of our Company for the last five financial years ended March 31, 2022, 2021, 2020, 2019 & 2018, limited review report for six (6) months period ended September 30, 2022
7. Statement of Tax Benefits certificate dated 21st November 2022 (Practicing Chartered Accountant) Nagpur the Statutory Auditors of our Company.
8. Tripartite Agreement dated 16th November 2017 between our Company, National Securities Depository Limited and the Registrar to the Issue.
9. Tripartite Agreement dated 2nd June 2017 between our Company, Central Depository Services (India) Limited and the Registrar to the Issue.
10. Due Diligence Certificate dated 19th January 2023 addressed to SEBI from the Lead Manager.
11. In-principle listing approval dated December 28, 2022 from MSEI.

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

DECLARATION

I hereby certify that "No statement made in this letter of offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

| | |
|---|--|
| Sd/- Sunil Raison Managing Director DIN: 00162965 | Sd/- Kalpesh Bafna Non-Executive, Independent Director DIN: 07484027 |
| Sd/- Anjana Tolani Non-Executive, Independent Director DIN : 09794298 | Sd/- Swapnil Shivkumar Agrawal Non-Executive, Independent Director DIN : 01709908 |
| Sd/- Ajay Kumar Gandhi Non-Executive, Independent Director DIN : 09516767 | Sd/- Pritam Raison Chief Financial Officer PAN: ADKPR9324D |
| Sd/- Harsha Bandhekar Company Secretary & Compliance Officer PAN: AMJPB3787E | |

Place: Nagpur

Date: 19th January 2023

DUE DILIGENCE CERTIFICATE

To,
Securities and Exchange Board of India
Corporation Finance Department
Division of Issue and Listing
Plot No.C4-A, 'G' Block
Bandra-Kurla Complex, Bandra (East),
Mumbai-400051, Maharashtra

Dear Sir / Ma'am,

Subject: Rights Issue of 1,09,46,557 Fully Paid - Up Equity Shares of Face Value of Rs.10 Each (" Equity Shares ") of Shradha Industries Limited (The "Company ") on a Rights Basis.

The Company is proposing to undertake an issue of 1,09,46,557 Equity Shares for a cash at a price of Rs.15/- per Equity Share (including a premium of Rs.5/- per Equity Share) aggregating to Rs. 16,41,98,355 on a rights basis to the eligible shareholders of the Company (" Eligible Equity Shareholders ") in the ratio of 44 Rights Equity Share(s) for every 5 fully paid - up equity share(s) held by the Eligible Equity Shareholders as on Wednesday, January 25 2023 (the " Record Date") under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (" SEBI ICDR Regulations") read with circulars dated May 19,2022 ("Streamlining the Process of Rights Issue"), January 22 , 2020 (" Rights Issue ASBA Circular ") and together with Right Issue ASBA Circular (the " SEBI Rights Issue Circular ") issued by the Securities and Exchange Board of India (" SEBI ") (such issuance defined as the " Issue) .

We, Kreo Capital Private Limited as the Lead Manager to the Issue (the " Lead Managers ") state and confirm that:

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes , disputes arising with collaborators and the like , as well as other material while finalizing the offer document of the subject rights issue;
2. On the basis of such examination and discussions with the Company , its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Issue , price justification , contents of the documents and other papers furnished by the Company, we confirm that:

a) the Draft Letter of Offer (herein after referred to as DLOF) filed with the Securities and -Exchange Board of India (" SEBI ") is in conformity with the documents , materials and papers which are material to the Issue; - **As the issue size is less than 50 Crores these provision is not applicable**



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b) all material legal requirements relating to the Issue as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and

c) The material disclosures made in the DLOF are true and adequate to enable the investors to make a well informed decisions as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, SEBI ICDR Regulations and other applicable legal requirements.

3. Besides ourselves, all intermediaries named in the LOF are registered with the SEBI and till that date, such registration is valid

4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments.

5. Written consent from the promoters has been obtained for inclusion of their specified securities proposed to form part of the promoters' contribution subject to lock - in and the Equity Shares proposed to form part of the promoters' contribution subject to the lock - in shall not be disposed or sold or transferred by the promoters during the period starting from the date of filing the DLOF with the SEBI until the date of commencement of lock-in period as stated in the DLOF. - **Not Applicable**

6. All applicable provisions of SEBI ICDR Regulations, which relate to specified securities ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DLOF. - **Not Applicable**

7. All applicable provisions of these regulations which relate to receipt of promoters' contribution prior to opening of the Issue, shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least one day before the opening of the Issue and the auditors' certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Issue. - **Not Applicable**

8. Necessary arrangements have been made to ensure that the monies received pursuant to the Issue are credited or transferred to in a separate bank account as per the provisions of the sub - section (3) of Section 40 of the Companies Act , 2013 and that such monies shall be released by the said bank only after permission is obtained from the stock exchange (MSEI) and that the agreement entered into between the " bankers to the issue " and the Company specifically contains this condition . - **Noted for compliance**

9. The existing business as well as any new business of the Company for which the funds are being raised fall within the " main objects " in the object clause of the Memorandum of Association (the " MoA ") of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the MoA, - **Complied with to the extent applicable**

10. Following disclosures have been made in the LOF:

a) An undertaking from the Company that at any given time , there shall be only one denomination for the Equity Shares of the Company , excluding superior equity shares , where an Issuer has

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outstanding superior equity shares . - **Complied with (The Company has not issued any superior equity shares)**; and

b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI - **Complied with**

11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. - **Noted for compliance**

12. If applicable, the Company is eligible to list on the innovator's growth platform in terms of the provisions of Chapter X of SEBI ICDR Regulations. - **Not Applicable**

13. None of the intermediaries named under the LOF have been debarred from functioning by any regulatory authority. - **Complied with**

14. The Company is eligible to make a Rights Issue in terms of regulations of the SEBI ICDR Regulations 2018. - **Complied with**

15. The abridged letter of offer contains all disclosures as specified in the SEBI ICDR Regulations. - **Complied with**

16. All material disclosures in respect of the Company have been made in the LOF and we certify that any material development in the Company or relating to the Company up to the commencement of listing and trading of the Equity Shares offered through the Issue shall be informed through public notices / advertisements in all those newspapers in which pre - issue advertisement and advertisement for opening or closure of the Issue have been given. - **Complied with and noted for compliance**

17. Agreements have been entered into with the depositories for dematerialization of the specified securities of the Company. - **Complied with**

We enclose a note under **Schedule A** explaining the process of due diligence that has been exercised by us including in relations to the business of the Company, the risks in relation to the business, experience of the Promoter and that the related party transactions entered into for the periods for which accounts are disclosed in the LOF have been entered into by the company in accordance with applicable laws.

We enclose a checklist under **Schedule B** confirming regulation - wise compliance with the applicable provisions of SEBI ICDR Regulations and the -SEBI Rights Issue Circulars containing details such as the regulation number, its text, the status of compliance, page number of the LOF where the regulations have been complied with and our comments. if any.



CIN: U65999MH2018PTC307425

All capitalized terms used herein and not specifically defined shall have the same meanings as described to such terms in the LOF.

Sincerely

For Kreo Capital Private Limited



Authorized Signatory

Name: Mr. Ayush Parakh

Designation: Compliance Officer

Email: info@kreocapital.com

Telephone: +91-712-6652070

Place: Nagpur

Date: 19th January 2023



SCHEDULE A**Note explaining how the process of Due Diligence has been exercised**

We, Kreo Capital Private Limited as the lead manager to the Issue (the "Lead Manager"), have carried a due diligence exercise in relation to the current business of Shradha Industries Limited - (the "Company") which is customary in a transaction of this nature and size of the Company with other professionals and experts engaged in connection with the Issue which is being undertaken in compliance with the requirements of Part B of the Schedule VI of the SEBI ICDR Regulations.

The due diligence process carried out by us commenced with the interactions with the senior management of the Company for gaining an understanding of the business of the Company, key risks involved and financial overview, among other matters for the purpose of the Issue. In this regard, the Company was provided with a due diligence questionnaire and information requisition list. In response to the questionnaire and information request list, the Company provided us with supporting documents for review and gave us explanations of our queries.

All capitalized terms used herein and not specifically defined shall have the same meanings as ascribed to such terms in the DLOF/LOF.

1. Corporate and commercial diligence:

The due diligence process in relation to general business and commercial matters includes:

- a) Organizing and attending the meetings and discussions to develop an understanding of the business and other matters of the Company. The discussion was attended by the Lead Manager and the senior management of the Company;
- b) Providing the Company with a due diligence questionnaire and information requisition list. The Company provided the relevant documents, as appropriate, for review purposes and provided explanations and supporting documents for review;
- c) Interacting with the management of the Company for the purpose of gaining an understanding about, amongst others, the business of the Company, the risks involved and a general overview and history of the Company. These interactions included (i) Meetings with the Management of the company (ii) conference calls to discuss the drafts of the disclosures proposed to be included in the DLOF/LOF, (iii) due diligence calls with the auditor; and (iv) due diligence calls to receive updated information from the Company before filing the DLOF. These interactions were conducted with an objective to assist the company to prepare disclosures as required under the SEBI ICDR Regulations with regard to the Issue. We expect these interactions and due diligence calls to continue until closure of the issue;
- d) Requesting the Company to provide documents based on the due diligence questionnaire and requisition lists, and reviewing these documents, which are required to be disclosed under the SEBI ICDR Regulations and documentation pertaining to material litigations of the Company and its subsidiaries as required under the SEBI ICDR Regulations, reviewing such documents to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, as is customary in transactions undertaken as per Part B of Schedule VI of the SEBI ICDR Regulations;

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CIN: U65999MH2018PTC307425

e) Reviewing relevant resolutions and regulatory filings of the Company in relation to the capital structure.

f) Obtaining and relying on certificates, confirmations, representations and undertakings from the Company, the Promoter and members of the Promoter and members of the Promoter Group, each of the Directors of the Company (the "Directors") and other documents, in support of certain disclosures made in the DLOF/LOF;

g) Obtaining certifications and circle ups from the Auditor on the financial information included in the DLOF/LOF wherever required; and

2. Financial information of the Company and Financial Indebtedness

We conducted the due diligence on financial matters, which included conducting due diligence calls with the auditor, discussions with the finance team, company secretary, review of auditors' report, annual reports and other related documents. The Auditor was required to provide the standalone audited financial statements for the Fiscal 2022, the last completed accounting year for which the audit has been completed, limited review unaudited standalone financial information of the Company for the six months period ended September 30, 2022. We had discussions with the auditor on the form and manner of the certificates required for such financial information. Further, the Auditor was required to review the financial information relating to the Company in the DLOF / LOF to the Lead Manager confirming the accuracy of certain financial information contained in the DLOF / LOF. Further, the Auditor has provided a statement of special tax benefits relating to the Company and its shareholders in the DLOF/LOF.

3. Promoter, Promoter Group, Directors

For the purpose of making certain disclosures and taking confirmations with respect to the Promoter and members of the Promoter Group, Directors in the DLOF / LOF, we have obtained certifications from the relevant entities / persons.

We have received certifications from the Company, the Directors, the Promoter, members of the Promoter Group, confirming that they have not been debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, the Promoter and Directors have confirmed that they are not associated as promoter or directors of any other company which is debarred from accessing the capital market by the SEBI.

4. Litigation and statutory and / or regulatory related diligence

We have disclosed the outstanding litigations in accordance with the legal requirements under SEBI ICDR Regulations i.e. matters involving (i) issues of moral turpitude or criminal liability on the part of the Company, (ii) material violations of statutory regulations by the Company, (iii) economic offenses where proceedings have been initiated against the Company, (iv) any pending matters which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of the Company and (v) any other litigation including civil or tax litigation proceedings which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of the "Policy for determination of materiality of information or

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event" framed in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Solely for the purpose of this issue, we have disclosed, if any, outstanding litigations, including civil and tax proceedings involving the Company. Till date, there stands no outstanding or pending litigation against the Company. Further, the due diligence pertaining to covering the outstanding litigations involving the Company, we interacted with the relevant representatives of the Company to understand the status and details if any, pertaining to future chances of any litigation or prosecution against the Company or involving the Company. Given the number of litigation involving the Company in the ordinary course of their respective business stands nil, the same has been included in the DLOF/LOF.

With respect to the business activities undertaken by the Company, we have reviewed the material registrations obtained by the Company. Further, for the purpose of diligence, we have reviewed the licenses and approvals obtained by the Company and wherever applicable fresh and renewal applications in respect of such licenses and approvals for their business operations.

5. Objects of the Issue

The Objects of the Issue include

1. Long Term Working Capital Requirements for Trading of Computers
2. General Corporate Purpose
3. To meet issue expenses



SCHEDULE B

CHECKLIST INDICATING COMPLIANCE WITH CHAPTER III AND PART B OF SCHEDULE VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS , 2018 AS AMENDED (THE "SEBI ICDR REGULATIONS") FOR THE RIGHTS ISSUE OF SHRADHA INDUSTRIES LIMITED (THE COMPANY ISSUER").

ISSUE OF 1,09,46,557 EQUITY SHARES WITH A FACE VALUE OF 10 EACH (RIGHTS EQUITY SHARES ") OF OUR COMPANY FOR CASH AT A PRICE OF RS.15/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs.5/- PER EQUITY SHARE) (THE ISSUE PRICE FOR AN AGGREGATE AMOUNT OF Rs. 16,41,98,355 ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 44 RIGHTS EQUITY SHARE (S) FOR EVERY 5 FULLY PAID - UP EQUITY SHARE (S) HELD BY THE EXISTING EQUITY SHARE (S) HOLDERS ON THE RECORD DATE , THAT IS ON WEDNESDAY, JANUARY 25 2023 (THE " ISSUE) .THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE ON PAGE 110 OF THE DRAFT LETTER OF OFFER.

All capitalized terms not defined before would have the same meaning as attributed to them in the Draft Letter of Offer (the " DLOF") filled with MSEI (the " Stock Exchange "), along with the Annexure.

The following chapters and schedules of the SEBI ICDR Regulations do not apply to the issue.

1. Chapter II - Initial Public Offer on Main Board
2. Chapter IV - Further Public Offer
3. Chapter V - Preferential issue
4. Chapter VI - Qualified Institutions Placement
5. Chapter VII - Initial Public Offer of Indian Depository Receipts.
6. Chapter VIII - Rights Issue Of Indian Depository Receipts
7. Chapter IX - Initial Public Offer By Small And Medium Enterprises
8. Chapter X - Innovators Growth Platform
9. Chapter XI - Bonus Issue
10. Schedule VI (Part A) Disclosure in Offer Document
11. Schedule VI (Part C) - Certain Disclosure not mandatory in case of a further public offer
12. Schedule VI (Part D) - Certain Disclosure not mandatory in case of a fast track public issue.
13. Schedule VI (Part E) - Disclosures in abridged prospectus.
14. Schedule VII - Disclosures in a Placement Document.
15. Schedule VIII - Disclosures in Offer Document and Abridged Prospectus and Letter of Offer for Issue of Indian Depository Receipts.
16. Schedule X - Formats of Advertisements for a Public Issue.
17. Schedule XI - Form of Report to be submitted by the Monitoring Agency.
18. Schedule XIII - Book Building Process.
19. Schedule XIV - Illustration Explaining the Procedure of Allotment.
20. Schedule XV - Format of Report for Green Shoe Option
21. Schedule XVII (Part A) -Formats of Post - Issue Reports
22. Schedule XVIII - Format of Underwriting Devolvement Statement.
23. Schedule XX - Conditions/Manner of Providing Exit Opportunity to Dissenting Shareholders



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CHAPTER III -RIGHTS ISSUE

| REGU LATI ONS | Sub Regula tions | Contents | Status of Compliance | Page No. | Comments |
|---------------------|------------------------|---|--|-------------|---|
| | | PART I: ELIGIBILITY REQUIREMENTS | | | |
| 60. | | Reference Date | | | |
| | | Unless otherwise provided in this Chapter , an issuer offering specified securities of aggregate value of fifty crores rupees or more, through a rights issue shall satisfy the conditions of this Chapter at the time of filing the draft letter of offer with the Board and also at the time of filing the final letter of offer with the stock exchanges, as the case may be | Complied with to the extent applicable | | |
| 61. | | Entities not eligible to make a rights issue | | | |
| | | An issuer shall not be eligible to make a rights issue of specified securities | | | |
| | a. | if the issuer, any of its promoters, promoter group or directors of the issuer are debarred from accessing the capital market by the Board | Complied with | | A distinct negative statement has been included in the section titled -Other Regulatory and Statutory Disclosures |
| | b. | if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board . | Complied with | | A distinct negative statement has been included in the section titled -Other Regulatory and Statutory Disclosures |
| | c. | if any of its promoters or directors is a fugitive economic offender | Complied with | | A distinct negative statement has been included in the section titled -Other Regulatory and Statutory Disclosures |
| 62. | | General Conditions | | | |
| | (1) | The issuer making a rights issue of specified securities shall ensure that | | | |
| | a. | it has made an application to one or more stock | Complied with | | The company |

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| | | exchanges to seek an in principle approval for listing of its specified securities on such stock exchanges and has chosen one of them as the designated stock exchange, in terms of Schedule XIX | | | has made application to MSEI for in principle approval for listing of its specified securities and received the same on December 28, 2022 |
| | b. | all its existing partially paid - up equity shares have either been fully paid - up or have been forfeited | Complied with | | A distinct negative statement has been included in the section titled "Capital Structure of the LOF". |
| | c. | it has made firm arrangements of finance through verifiable means towards seventy - five per cent of the stated means of finance for the specific project proposed to be funded from issue proceeds excluding the amount to be raised through the proposed rights issue or through existing identifiable internal accruals | Not applicable | | |
| | 2. | The amount for general corporate purposes , as mentioned in objects of the issue in the draft letter of offer and the letter of offer , shall not exceed twenty - five per cent of the amount raised by the issuer | Complied with | | |
| | 2A | The amount for; (i) general corporate purposes, and (ii) Such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed thirty five per cent. of the amount being raised by the issuer: Provided that the amount raised for such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the draft offer document and the offer document, shall not exceed twenty five per cent. of the amount being raised by the issuer: Provided further that such limits shall not apply if | Not applicable | | |



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| | | the proposed acquisition or strategic investment object has been identified and suitable specific disclosures about such acquisitions / investments are made in the draft offer document and the offer document at the time of filing of offer documents.] | | | |
| 3. | | Where issuer or any of its promoters or directors is a wilful defaulter or fraudulent borrower, the promoters or promoter group of the issuer shall not renounce their rights except to the extent of renunciation within the promoter group | Not applicable | | A distinct negative statement has been included in the section titled –Legal and other information of LOF |
| 4. | | Where the issuer has issued SR equity shares to its promoters or founders, then such a SR shareholder shall not renounce their rights and the SR shares received in a rights issue shall remain under lock - in until conversion into equity shares having voting rights same as that of ordinary equity shares along with existing SR equity shares | Not applicable | | The Company has not issued any SR Equity Shares and there are No outstanding SR Equity Shares |
| | | PART II : ISSUE OF CONVERTIBLE DEBT INSTRUMENTS AND WARRANTS | Not applicable | | The issue under consideration is Right issue of Equity shares, hence these regulations are not applicable |
| 63. | | Additional requirements for issue of convertible debt instruments | Not applicable | | |
| 64. | | Roll over of non-convertible portion of partly convertible debt instruments | Not applicable | | |
| 65. | | Conversion of optionally convertible debt instruments into equity shares | Not applicable | | |
| 66. | | Issue of convertible debt instruments for financing | Not applicable | | |
| 67. | | Issue of warrants | Not applicable | | |
| | | PART III: RECORD DATE | | | |
| 68. | 1. | The issuer shall announce a record date for the purpose of determining the shareholders eligible to apply for specified securities in the proposed rights issue for such period as may be specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. | Complied with | | |
| | 2. | The issuer shall not withdraw its rights issue after announcement of the record date. However, if the issuer withdraws the rights issue after announcing the record date, it shall not be eligible to make an application for listing of any of its specified securities on any stock exchange for a period of twelve months from the record date announced under sub-regulation (1): | Noted for Compliance | | |

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| | | Provided that the issuer may seek listing of its equity shares allotted pursuant to conversion or exchange of convertible securities, ESOPs or exercise of warrants issued prior to the announcement of the record date, on the stock exchange where its securities are listed. | | | |
| | | PART IV – APPOINTMENT OF LEAD MANAGERS AND OTHER INTERMEDIARIES | | | |
| 69 | 1. | The issuer shall appoint one or more merchant bankers, which are registered with the Board, as lead manager(s) to the issue. | Complied with | | Kreo Capital Private Limited has been appointed as the Lead manager to the issue |
| | 2. | Where the issue is managed by more than one lead manager, the rights, obligations and responsibilities, relating inter alia to disclosures, allotment, refund and underwriting obligations, if any, of each lead manager shall be predetermined and be disclosed in the draft letter offer and the letter of offer as specified in Schedule I: | Not applicable | | Only one Merchant Banker ("Lead Manager") has been appointed i.e Kreo Capital Private Limited |
| | 3. | At least one lead manager to the issue shall not be an associate (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) of the issuer and if any of the lead manager is an associate of the issuer, it shall disclose itself as an associate of the issuer and its role shall be limited to marketing of the issue. | Complied with | | Lead manager is not an associate of the company |
| | 4. | The issuer shall, in consultation with the lead manager(s), appoint other intermediaries which are registered with the Board after the lead manager(s) have independently assessed the capability of other intermediaries to carry out their obligations. | Complied with | | |
| | 5. | The issuer shall enter into an agreement with the lead manager(s) in the format specified in Schedule II and also enter into agreements with other intermediaries as required under the respective regulations applicable to the intermediary concerned: | Complied with | | The company has entered into an issue Agreement with the Lead Manager |
| | | Provided that such agreements may include such other clauses as the issuer and the intermediaries may deem fit without diminishing or limiting in any way the liabilities and obligations of the lead manager(s), other intermediaries and the issuer | Complied to the extent applicable | | |



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| | | under the Act, the Companies Act, 2013 the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder or any statutory modification or statutory enactment thereof: | | | |
| | | Provided further that in case of ASBA process, the issuer shall take cognisance of the deemed agreement of the issuer with the self-certified syndicate banks. | Noted for Compliance | | |
| | 6. | The issuer shall appoint bankers to an issue, at centres as specified in Schedule XII. | Complied with | | |
| | 7. | The issuer shall appoint a registrar to the issue registered with the Board, which has connectivity with all the depositories: | Complied with | | |
| | | Provided that if the issuer itself is a registrar, it shall not appoint itself as a registrar to the issue; | Not applicable | | |
| | | Provided further that a lead manager shall not act as a registrar to the issue in which it is also handling the post-issue responsibilities. | Not applicable | | |
| | | PART V: DISCLOSURES IN AND FILING OF LETTERS OF OFFER | | | |
| 70 | | Disclosures in the draft letter of offer and letter of offer | | | |
| | 1. | The draft letter of offer and letter of offer shall contain all material disclosures which are true and adequate to enable the applicants to take an informed investment decision. | Complied with | | |
| | 2. | Without prejudice to the generality of sub-regulation (1), the draft letter of offer and letter of offer shall contain disclosures as specified in 79[Part B or Part B-1] of Schedule VI, as applicable. | Complied to the extent applicable | | |
| | 3. | The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosure in the draft letter of offer and the letter of offer. | Complied with | | |
| | 4. | The lead manager(s) shall call upon the issuer, its promoters and its directors to fulfil their obligations as disclosed by them in the draft letter of offer and letter of offer and as required in terms of these Regulations. | Complied with | | |
| | 5. | The lead manager(s) shall ensure that the information contained in the draft letter of offer and letter of offer and the particulars as per audited financial statements in the letter of offer are not more than six months old from the issue opening date. | Complied with | | |
| | 6. | An issuer shall make disclosures in the draft letter | Not applicable | | A distinct |

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| | | of offer, letter of offer and abridged letter of offer, if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower | | | negative statement has been included in the section titled -Other Regulatory and Statutory Disclosures |
| | 7. | In the letter of offer and the abridged letter of offer, the issuer shall disclose the process of credit of rights entitlements in the demat account and renunciation thereof. | Complied with | | |
| 71. | | Filing of the draft letter of offer and letter of offer | | | |
| | 1. | Prior to making a rights issue, the issuer shall, except in case of a fast track issue, file a draft letter of offer, with the concerned regional office of the Board under the jurisdiction of which the registered office of the issuer company is located, in accordance with Schedule IV, along with fees as specified in Schedule III, with the Board and with the stock exchange(s), through the lead manager(s). | Complied with to the extent applicable | | DLOF is not required to be filed with SEBI as per Regulation 3(b) of ICDR, 2018 as the issue size is less than 50 crore. |
| | | Provided that the issuer shall, in case of fast track issue, file a letter of offer and pay fees as specified in Schedule III with the Board. | Not applicable | | |
| | 2. | The lead manager(s) shall submit the following to the Board along with the draft letter of offer: | Not applicable | | DLOF is not required to be filed with SEBI as per Regulation 3(b) of ICDR, 2018 as the issue size is less than 50 crore. Hence the documents to be submitted along with DLOF are not applicable |
| | a. | a certificate, confirming that an agreement has been entered into between the issuer and the lead manager(s) and includes content specified in Schedule II; | | | |
| | b. | a due diligence certificate as per Form A of Schedule V; | | | |
| | c. | In case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per Form B of Schedule V; | | | |

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| d. | A certificate confirming compliance of the conditions specified in Part F of Schedule VI, if applicable. | | | |
| 3. | The issuer shall also file the draft letter of offer with the stock exchange(s) and shall submit to such stock exchange(s), the Permanent Account Number, bank account number and passport number of its promoters where they are individuals, and Permanent Account Number, bank account number, company registration number or equivalent and the address of the Registrar of Companies with which the promoter is registered, where the promoter is a body corporate. | Complied with | | |
| 4. | The Board may specify changes or issue observations, if any, on the draft letter of offer within thirty days from the later of the following dates: | Not applicable | | DLOF is not required to be filed with SEBI as per Regulation 3(b) of ICDR, 2018 as the issue size is less than 50 crore. |
| a. | the date of receipt of the draft letter of offer, as applicable, under sub-regulation (1) | | | |
| b. | the date of receipt of satisfactory reply from the lead manager(s), where the Board has sought any clarification or additional information from them | | | |
| c. | the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency | | | |
| d. | The date of receipt of a copy of in-principle approval letter issued by the stock exchanges. | | | |
| 5. | If the Board specifies any changes or issues observations on the draft letter of offer the issuer and lead manager(s) shall carry out such changes in the draft letter of offer and shall submit to the Board an updated draft letter of offer complying with the observations issued by the Board and highlighting all changes made in the draft letter of offer before filing the letter of offer with the stock exchanges. | Not applicable | | DLOF is not required to be filed with SEBI as per Regulation 3(b) of ICDR, 2018 as the issue size is less than 50 crore. |
| 6. | If there are any changes in the draft letter of offer in relation to the matters specified in Schedule XVI, an updated letter of offer or a fresh draft letter of offer, as the case may be, shall be filed with the Board along with fees specified in Schedule III. | Not applicable | | DLOF is not required to be filed with SEBI as per Regulation 3(b) |

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| | | | | | of ICDR, 2018 as the issue size is less than 50 crore. |
| 7. | The lead manager(s) shall submit the following documents to the Board after issuance of observations by the Board or after expiry of the period stipulated in sub-regulation (4) of regulation 71 if the Board has not issued observations: | Not applicable | | | DLOF is not required to be filed with SEBI as per Regulation 3(b) of ICDR, 2018 as the issue size is less than 50 crore. |
| a. | a statement certifying that all changes, suggestions and observations made by the Board have been incorporated in the letter of offer; | | | | |
| b. | a due diligence certificate as per Form C of Schedule V, at the time of submission of the letter of offer with stock exchange | | | | |
| c. | a due diligence certificate as per Form D of Schedule V, in the event the issuer has made a disclosure of any material development by issuing a public notice | | | | |
| 8. | Copy of the letter of offer shall also be filed with the Board and the stock exchanges through the lead manager simultaneously with filing of the letter of offer with the designated stock exchange. | Noted for Compliance | | | |
| 9. | The draft letter of offer and letter of offer shall also be furnished to the Board in a soft copy. | Noted for Compliance to the extent applicable | | | |
| 72. | Draft letter of offer and letter of offer to be available to the public | | | | |
| 1. | The draft letter of offer filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of filing, by hosting it on the websites of the Board, stock exchanges where specified securities are proposed to be listed and the lead manager(s) associated with the issue. | Complied with to the extent applicable | | | |
| 2. | The issuer shall, within two days of filing of the draft letter of offer with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing to the public the | Complied with to the extent applicable | | | |

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| | | fact of filing of the draft letter of offer with the Board and inviting the public to provide their comments to the Board, the issuer or to the lead manager(s) in respect of the disclosures made in the draft letter of offer. | | | |
| | 3. | The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the Board, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document. | Complied with | | No comments were received on DLOF by public |
| | 4. | The issuer and the lead manager(s) shall ensure that the letters of offer are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Board and the stock exchanges, as applicable. | Noted for compliance | | |
| | 5. | The lead manager(s) and the stock exchanges shall provide copies of the draft letter of offer to the public as and when requested and may charge a reasonable sum for providing a copy of the same. | Complied with | | |
| | | PART VI: PRICING | | | |
| 73. | 1. | The issuer shall decide the issue price, in consultation with the lead manager(s), before determining the record date, which shall be determined in consultation with the designated stock exchange. | Complied with | | |
| | 2. | The issue price shall not be less than the face value of the specified securities. | Complied with | | |
| | 3. | The issuer shall disclose the issue price in the letter of offer filed with the Board and the stock exchange(s). | Complied with | | |
| | | PART VII: ISSUANCE CONDITIONS AND PROCEDURE | | | |
| 74. | | Reservations | | | |
| | 1. | The issuer shall make a rights issue of equity shares only if it has made reservation of equity shares of the same class in favour of the holders of outstanding compulsorily convertible debt instruments, if any, in proportion to the convertible part thereof. | Not applicable | | The company does not have any outstanding compulsorily convertible debt instrument |
| | 2. | The equity shares so reserved for the holders of fully or partly compulsorily convertible debt instruments shall be issued to the holder of such convertible debt instruments at the time of conversion of such convertible debt instruments, on the same terms at which the equity shares | Not applicable | | |


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| | | offered in the rights issue were issued. | | |
| | | Provided that for the purposes of offering such rights entitlements, the issuer company shall not be required to credit rights entitlements. | Not applicable | |
| | 3. | Subject to other applicable provision of these regulations, the issuer may make reservation for its employees along with rights issue subject to the condition that the value of allotment to any employee shall not exceed two lakhs rupees. | Not applicable | |
| | | Provided that in the event of under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to the total allotment to an employee not exceeding five lakhs rupees. | Not applicable | |
| 75 | | Abridged letter of offer | | |
| | 1. | The abridged letter of offer shall contain the disclosures as specified by the Board in Part F of Schedule VI and shall not contain any matter extraneous to the contents of the letter of offer. | Complied with | |
| | 2. | Every application form distributed by the issuer or any other person in relation to the issue shall be accompanied by a copy of the abridged letter of offer. | Noted for Compliance | |
| 76 | | ASBA | | |
| | | An applicant to the rights issue shall do so only through the ASBA facility, which facility shall be provided by the issuer in the manner specified by the Board: | Complied with | |
| | | Provided that payment through any other electronic banking mode shall be permitted in respect of an application made for any reserved portion outside the issue period | | |
| 77. | | Availability of letter of offer and other issue materials | | |
| | 1. | The lead manager(s) shall ensure availability of the letter of offer and other issue material including application forms with stock exchanges, registrar to issue, registrar and share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors' associations and self-certified syndicate banks before the opening of the issue. | Noted for compliance to the extent applicable | |
| | 2. | The abridged letter of offer, along with application form, shall be despatched through registered post or speed post or by courier service or by electronic | Noted for compliance | |



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| | | transmission to all the existing shareholders at least three days before the date of opening of the issue. | | | |
| | 3. | The letter of offer shall also be provided by the issuer or lead manager(s) to any existing shareholder who makes a request in this regard. | Noted for compliance | | |
| 77A | | Credit of rights entitlements and allotment of specified securities | | | |
| | 1. | The rights entitlements shall be credited to the demat account of the shareholders before the date of opening of the issue. | Noted for compliance | | |
| | 2. | Allotment of specified securities shall be made in the dematerialised form only.] | Noted for compliance | | |
| 78 | | Conditions for making applications on plain paper | | | |
| | 1. | Shareholders who have not received the application form may make an application in writing on a plain paper, along with the requisite application money. | Noted for compliance | | |
| | | Provided that SCSEs shall accept such application forms only if all details required for making the application as per these regulations are specified in the plain paper application.] | Noted for compliance | | |
| | 2. | Shareholders making an application on plain paper shall not be entitled to renounce their rights and shall not utilise the application form for any purpose including renunciation even if it is received subsequently. | Noted for compliance | | |
| | 3. | If a shareholder makes an application both in an application form as well as on a plain paper, both applications are liable to be rejected. | Noted for compliance | | |
| 79 | | Prohibition on payment of incentives | | | |
| | | Any person connected with the issue, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the rights issue, except for fees or commission for services rendered in relation to the issue. | Noted for compliance | | |
| 80. | | Security deposit | | | |
| | 1. | The issuer shall, before the opening of the subscription list, deposit with the designated stock exchange, an amount calculated at the rate of one per cent. of the issue size in the manner specified by the Board and/or stock exchange(s). | Noted for compliance | | |
| | 2. | The amount specified in sub-regulation (1) shall be refundable or forfeitable in the manner specified by the Board. | Noted for compliance | | |
| 81. | | Underwriting | | | |


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| 1. | If the issuer desires to have the issue underwritten, it shall appoint merchant bankers or stock brokers, registered with the Board, to act as underwriters: Provided that the issue can be underwritten only to the extent of entitlement of shareholders other than the promoters and promoter group. | Complied with | | |
| 2. | In case of every underwritten issue, the lead manager(s) shall undertake minimum underwriting obligations as specified in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. | Complied with | | |
| 82. | Monitoring agency | Not applicable | | Issue size is less than one hundred crore rupees |
| 83. | Public communications, publicity materials, advertisements and research reports | | | |
| | All public communication, publicity materials, advertisements and research reports shall comply with the provisions of Schedule IX. | Complied with and noted for compliance | | |
| 84. | Issue-related advertisements | | | |
| 1. | The issuer shall issue an advertisement in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation, at the place where registered office of the issuer is situated and also give an intimation to the stock exchanges for dissemination on their websites, at least two days before the date of opening of the issue, disclosing the following: | Noted for compliance | | |
| a. | the date of completion of despatch of abridged letter of offer and the application form; | Noted for compliance | | |
| b. | the centres other than registered office of the issuer where the shareholders or the persons entitled to receive the rights entitlements may obtain duplicate copies of the application form in case they do not receive the application form within a reasonable time after opening of the rights issue | Noted for compliance | | |
| c. | statement that if the shareholders entitled to receive the rights entitlements have neither received the original application forms nor are in a position to obtain the form; they may make an application through the form available on the website of Registrar, stock exchanges or lead managers or in writing on a plain paper to subscribe to the Rights Issue along with a format | Noted for compliance | | |


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| | | specifying therein the necessary particulars such as name address, ratio of rights issue, issue price, number of equity shares held, ledger folio numbers, depository participant ID, client ID, number of equity shares entitled and applied for, additional shares if any, and the amount to be blocked with SCSB along with the application | | | |
| | d. | *** | | | |
| | e. | a statement to the effect that if the shareholder makes an application using the application form as well as plain paper, both the applications shall be liable to be rejected at the option of the issuer. | Noted for compliance | | |
| | 2. | During the period the issue is open for subscription, no advertisement shall be released giving an impression that the issue has been fully subscribed or oversubscribed, or indicating investors' response to the issue. | Noted for compliance | | |
| | 3. | An announcement regarding closure of issue shall be made only after the lead manager(s) is satisfied that at least ninety per cent. of the offer through letter of offer has been subscribed and a certificate has been obtained to that effect from the registrar to the issue | Noted for compliance | | |
| | | Provided that such an announcement shall not be made before the date on which the issue is to be closed except for issue closing advertisement made in the format prescribed in these regulations. | Noted for compliance | | |
| 85. | | Opening of the issue | | | |
| | | Subject to the compliance with the provisions of the Companies Act, 2013, a rights issue may be opened within twelve months from the date of issuance of the observations by the Board under regulation 71. | Noted for compliance | | |
| | | Provided that in case of a fast track issue, the issue shall open within twelve months from the record date. | Not applicable | | |
| 86. | | Minimum subscription | | | |
| | 1. | The minimum subscription to be received in the issue shall be at least ninety per cent. of the offer through the offer document | Noted for compliance | | |
| | | Provided that minimum subscription criteria shall not be applicable to an issuer if: | Not applicable | | |
| | a. | the object of the issue involves financing other than financing of capital expenditure for a project; and | Not applicable | | |
| | b. | the promoters and the promoter group of the issuer undertake to subscribe fully to their portion | Not applicable | | |



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| | | of rights entitlement and do not renounce their rights except to the extent of renunciation within the promoter group | | | |
| 87. | | Period of subscription | | | |
| | | The rights issue shall be kept open for subscription for a minimum period of seven days and for a maximum period of thirty days and no withdrawal of application shall be permitted after the issue closing date | Noted for compliance | | |
| 88. | | Payment options | | | |
| | | The issuer shall give one of the following payment options to all the shareholders for each type of instrument: | | | |
| | a. | part payment on application with balance money to be paid in calls; | Not applicable | | |
| | b. | full payment on application | Noted for Compliance | | |
| | | Provided that the part payment, if any, on application shall not be less than twenty five per cent. of the issue price and such issuer shall obtain the necessary regulatory approvals to facilitate the same | Not applicable | | |
| | | Provided further that payment of balance money in calls, outside the issue period, may be through electronic banking modes | Not applicable | | |
| 89. | | Manner of calls | | | |
| | | If the issuer proposes to receive subscription monies in calls, it shall ensure that the outstanding subscription money is called within twelve months from the date of allotment in the issue and if any applicant fails to pay the call money within the said twelve months, the equity shares on which there are calls in arrear along with the subscription money already paid on such shares shall be forfeited | Not applicable | | |
| | | Provided further that it shall not be necessary to call the outstanding subscription money within twelve months, if the issuer has appointed a monitoring agency in terms of regulation 82. | Not applicable | | |
| 90. | | Allotment procedure and basis of allotment | | | |
| | 1. | The issuer shall not make any allotment in excess of the specified securities offered through the letter of offer, except as provided in regulation 74(1) and (2)]. | Noted for Compliance | | |
| | 2. | Allotment shall be made in the following manner: | | | |
| | a. | Full allotment to those eligible shareholders who have applied for their rights entitlement either in | Noted for Compliance | | |


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| | | full or in part and also to the renounce (s), who has/have applied for the specified securities renounced in their favour, in full or in part, as adjusted for fractional entitlement | | | |
| | b. | Allotment to eligible shareholders who having applied for the specified securities in full to the extent of their rights entitlement and have also applied for additional specified securities, shall be made as far as possible on an equitable basis having due regard to the number of specified securities held by them on the record date, provided there is an under-subscribed portion after making allotment in (a) above. | Noted for Compliance | | |
| | c. | Allotment to the renounces, who having applied for the specified securities renounced in their favour and also applied for additional specified securities, provided there is an under-subscribed portion after making full allotment specified in (a) and (b) above. The allotment of such additional specified securities may be made on a proportionate basis. | Noted for Compliance | | |
| | 3. | The authorised employees of the designated stock exchange along with the lead manager(s) and registrars to the issue shall ensure that the basis of allotment is finalised in a fair and proper manner as may be prescribed by the Board | Noted for Compliance | | |
| 91. | | Allotment, refund and payment of interest | | | |
| | 1. | The issuer and lead manager(s) shall ensure that the specified securities are allotted and/or application monies are refunded or unblocked within such period as may be specified by the Board. | Noted for Compliance | | |
| | 2. | The lead manager(s) shall ensure that the allotment, credit of dematerialised securities, refunding or unblocking of application monies, as may be applicable, are done electronically. | Noted for Compliance to the extent applicable | | |
| | 3. | Where the specified securities are not allotted and/or application monies are not refunded or unblocked within the period stipulated in sub-regulation (1) above, the issuer shall undertake to pay interest at the rate of fifteen per cent. per annum to the shareholders within such time as disclosed in the draft letter of offer and the letter of offer and the lead manager(s) shall ensure the same. | Noted for compliance | | |
| 92. | | Post-issue advertisements | | | |
| | 1. | The lead manager(s) shall ensure that an advertisement giving details relating to | Noted for compliance | | |

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| | | subscription, basis of allotment, number, value and percentage of all applications including ASBA, number, value and percentage of successful allottees for all applications including ASBA, date of completion of despatch of refund orders, as applicable, or instructions to self-certified syndicate banks by the Registrar, date of despatch of certificates or date of credit of specified securities, as applicable, and date of filing of listing application, etc. is released within ten days from the date of completion of the various activities in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation at the place where registered office of the issuer is situated | | | |
| | 2. | Details specified in sub regulation (1) shall also be placed on the websites of the stock exchanges where the securities are listed. | Noted for compliance | | |
| | | | | | |
| 93. | | Post-issue responsibilities of the lead manager(s) | | | |
| | 1. | The responsibility of the lead manager(s) shall continue until completion of the issue process and for any issue related matter thereafter. | Noted for compliance | | |
| | 2. | The lead manager(s) shall regularly monitor redressal of investor grievances arising from any issue related activities. | Noted for compliance | | |
| | 3. | The lead manager(s) shall continue to be responsible for post-issue activities till the applicants have received, credit to their demat account or refund of application monies and listing or trading permission is obtained. | Noted for compliance | | |
| | 4. | The lead manager(s) shall be responsible for and co-ordinate with the registrars to the issue and with various intermediaries at regular intervals after the closure of the issue to monitor the flow of applications from self-certified syndicate banks, processing of the applications including application form for ASBA and other matters till the basis of allotment is finalised, credit of the specified securities to the dematerialised accounts of the allottees, as applicable and unblocking of ASBA accounts/ despatch of refund orders are completed and securities are listed, as applicable. | Noted for compliance | | |
| | 5. | Any act of omission or commission on the part of any of the intermediaries noticed by the lead manager(s) shall be duly reported by them to the | Noted for compliance | | |


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| | | Board. | | | |
| 6. | | In case there is a devolvement on underwriters, the lead manager(s) shall ensure that the notice for devolvement containing the obligation of the underwriters is issued within ten days from the date of closure of the issue. | Noted for compliance | | |
| 7. | | In case of undersubscribed issues that are underwritten, the lead manager(s) shall furnish information to the Board in respect of underwriters who have failed to meet their underwriting devolvement in the format specified in Schedule XVIII . | Noted for compliance | | |
| 94. | | Release of subscription money | | | |
| 1. | | The lead manager(s) shall confirm to the bankers to the issue by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed and that the banker is free to release the money to the issuer or release the money for refund in case of failure of the issue. | Noted for compliance | | |
| 2. | | In case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within 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. | Noted for compliance to the extent applicable | | |
| 3. | | The lead manager(s) shall ensure that the monies received in respect of the rights issue are released to the issuer in compliance with the provisions of sub-section (3) of section 40 of the Companies Act, 2013, as applicable. | Noted for compliance | | |
| 95. | | Reporting of transactions of the promoters and promoter group | | | |
| | | The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of the draft letter of offer or letter of offer, as the case may be, and the date of closure of the issue shall be reported to the stock exchanges where the specified securities of the issuer are to be listed, within twenty four hours | Noted for compliance | | |



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| | | of such transactions. Post- | | | |
| 96. | | Post-issue reports | | | |
| | | The lead manager(s) shall submit post-issue reports as follows | | | |
| | a. | initial post-issue report as specified in Part B of Schedule XVII, within three working days of closure of the issue; | Noted for compliance | | |
| | b. | final post-issue report as specified in Part C of Schedule XVII, within fifteen days of the date of finalization of basis of allotment or within fifteen days of refund of money in case of failure of the issue. | Noted for compliance | | |
| | | PART VIII: MISCELLENEOUS | | | |
| 97. | | Restriction on further capital issues | | | |
| | | An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme: | Noted for compliance | | |
| | a. | in case of a fast track issue, during the period between the date of filing the letter of offer with the stock exchanges where the securities are proposed to be listed and the listing of the specified securities offered through the letter of offer or refund of application monies; or | Not applicable | | |
| | b. | in case of other issues, during the period between the date of filing the draft letter of offer with the Board and the listing of the specified securities offered through the letter of offer or refund of application monies; Unless full disclosures regarding the total number of specified securities or amount proposed to be raised from such further issue are made in such draft letter of offer or letter of offer, as the case may be. | Noted for Compliance | | |
| 98. | | Alteration of rights of holders of specified securities | | | |
| | | The issuer shall not alter the terms (including the terms of issue) of specified securities which may adversely affect the interests of the holders of those specified securities, except with the consent in writing of the holders of not less than three-fourths of the specified securities of that class or with the sanction of a special resolution passed at a meeting of the holders of the specified securities of that class. | Noted for Compliance | | |


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| | | PART IX: FAST TRACK RIGHTS ISSUE | | | |
| 99. | | Eligibility conditions | Not applicable | | |
| 100 | | Issue conditions | Not applicable | | |

| Part A - Disclosures in offer document / letter of offer, Abridged Letter of Offer See regulations 17, (24)(b), 57(1)(f), 70(2), 122(2)(ii), 153(1)(f), 239, 246(2)(b), 282(1)(f), 287(2), 291 | | | | | |
|--|----------------|---|--|----------|----------|
| Regulation | Sub-Regulation | Contents | Status of compliance | Page No. | Comments |
| | | Part B Disclosure in the Letter of Offer | | | |
| | | [See regulation 70(2)] | | | |
| (1) | | An issuer, satisfying the following conditions, shall make the Disclosures as specified in clause (4) of this Part in the draft letter of offer /letter of offer; | Noted the compliance | | |
| | (a) | The periodic reports, statements and information are being filed in compliance with the listing agreement or the Securities and Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015, as applicable for the last one year immediately preceding the date of filing the letter of offer with the designated stock exchange in case of a fast track issue and in any other case, the date of filing the draft letter of offer with the Board; | Complied with to the extent applicable | | |
| | (b) | the reports statements and information referred to in sub - clause (a) above are available on the website of stock exchange MSEI ; | Complied with | | |
| | (c) | the Issuer has investor grievance handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the board of directors of the issuer as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances | Complied with | | |
| (2) | | If the Issuer does not satisfy the conditions specified in clause (1), it shall make disclosures in the letter of offer as specified in Part B - 1 of this Schedule | Not applicable | | |
| (3) | | Following issuers shall mandatorily make disclosures in the draft letter of offer/letter of offer as specified in part B-1 of this Schedule | Not applicable | | |
| | (a) | an Issuer whose management has | | | |

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| | | undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations , 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations , 2011 , as applicable and is making a rights issue of specified securities for the first time subsequent to such change and a period of three full years has not elapsed since such a change; | Not applicable | | |
| | (b) | an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub - rule (7) of rule 19 of the Securities Contracts (Regulation) Rules , 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act , 1956 or approved by a tribunal under sections 230-234 of the Companies Act , 2013 , as applicable , and is making a rights issue of specified securities for the first time subsequent to such listing and a period of three full years has not elapsed since such listing . | Not applicable | | |
| | (4) | An issuer proposing a rights issue shall make the following disclosures , as far as possible , in the letter of offer in the order in which the disclosures are specified in this clause : | Complied with to the extent applicable | | |
| | (1) | Cover Pages: The cover page paper shall be of adequate thickness (minimum hundred) GSM quality) | Complied with | | |
| | (A) | Front cover Pages: | Complied with | | |
| | (i) | Front inside cover page shall be kept blank. | Complied with | Pg.2 | |
| | (ii) | Front outside cover page shall contain only the following details: | Complied with | Pg. 1 | |
| | (a). | Type of letter of offer (" Draft Letter of Offer " or " Letter of Offer ") . | Complied with | Pg. 1 | |
| | (b) | Date of the draft letter of offer / letter of offer. | Complied with | Pg. 1 | |
| | (c) | Name of the issuer , its logo , date and place of its Incorporation , corporate identity number , telephone number , address of its | Complied with | Pg. 1 | |

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| | | registered and corporate offices , website address and e - mail address (mention if where there has been any change in the address of the registered office or the name of the issuer, reference to the page of the offer document where details thereof are given) | | | |
| | (d) | Nature, number and price of specified securities offered and issue size, as may be applicable. | Complied with | Pg. 1 | |
| | (e) | Name of the promoter | Complied with | Pg. 1 | |
| | (f) | Details of the issuer or any of its promoters or directors being a wilful defaulter or fraudulent borrower. | Complied with | Pg. 1 | |
| | (g) | The following clause on " General Risk " shall be included in a box format : " Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk with such investment . Investors are advised to read the risk factors carefully before taking an investment decision in this Offering. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of " Risk factors ' given on page number ... under the section General Risks " , " | Complied with | Pg. 1 | |
| | (h) | The following clause on " Issuer's Absolute Responsibility shall be included in a box format : " The issuer , having made reasonable inquiries , accepts responsibility for and confirms that this letter of offer contains all information with regard to the issuer and the issue , which is material in the context of the issue , and that the information contained in the letter of offer 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 | Complied with | Pg. 1 | |

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| | | no other facts , the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.* | | | |
| (i) | | Names, logos and addresses of all the lead manager(s) with their titles who have signed the due diligence certificate and filed the letter of offer with the Board , along with their telephone numbers , website addresses and e - mail addresses . (Where any of the lead manager(s) is an associate of the issuer, it shall disclose itself as an associate of the issuer and that its role is limited to marketing of the issue.) | Complied with | Pg. 1 | |
| (j) | | Name, logo and address of the registrar to the issue, along with its telephone number , website address and e - mail address . | Complied with | Pg. 1 | |
| (k) | | Issue schedule ; | | | |
| | | Date of opening of the issue | Complied with | Pg. 1 | |
| | | Date of closing of the issue | Complied with | Pg. 1 | |
| (l) | | Name (s) of the stock exchanges where the specified securities are listed and the details of their in - principle approval for listing obtained from these stock exchange (s) | Complied with | Pg. 1 | |
| (II) | | Back cover pages: | Complied with | | |
| | | The back inside cover page and back outside cover page shall be kept blank. | Complied with | Pg.2 | |
| (III) | | Table of Contents: The table of contents shall appear immediately after the front inside cover page. | Complied with | Pg.3 | |
| (IV) | | Definitions and abbreviations: | Complied with | | |
| (A) | | Conventional or general terms | Complied with | Pg.9 | |
| (B) | | Issue related terms | Complied with | Pg.5 | |
| (C) | | Issuer and industry related terms | Complied with | Pg.10 | |
| (D) | | Abbreviations | Complied with | Pg.9 | |
| (V) | | Letter of offer summary: This section shall contain summary of the following information, as applicable: | | | |



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| (A) | Primary business of the Issuer in not more than 50 words : | Complied with | Pg.17 | |
| (B) | Objects of the issue in a tabular format : | Complied with | Pg.17 | |
| (C) | Intention and extent of participation by promoter/ promoter group with respect to : | Complied with | Pg.17 | |
| (a) | their rights entitlement | Complied with | Pg.17 | |
| (b) | their intention to subscribe over and above their right entitlement | Complied with | Pg.17 | |
| (D) | Summary table of outstanding litigations and a cross - reference to the section titled 'Outstanding Litigations and Defaults'; | Complied with | Pg.18 | |
| (E) | Cross-reference to the section titled 'Risk Factors'. | Complied with | Pg.18 | |
| (F) | Cross - reference to contingent liabilities of the issuer as disclosed in audited financial statements. | Complied with | Pg.18 | |
| (G) | Cross - reference to related part transactions (RPT) as disclosed in audited financial statements. | Complied with | Pg.18 | |
| (H) | Any issuances of equity shares made in the last one year for consideration other than cash. | Complied with | Pg.18 | |
| (VI) | Risk factors: | | | |
| (A) | Risk factors shall be printed in clear readable font (preferably of minimum point ten size). | Complied with | Pg.19 | |
| (B) | Risk factors shall be in relation to the following ; | Complied with | Pg.20 | |
| (1) | issue and objects of the issue : | Complied with | | |
| (2) | issuer and its ongoing business activities : | Complied with | | |
| (3) | Summary of outstanding litigations as disclosed in the section on litigation in a tabular format along with amount involved, wherever quantifiable. Issuer shall also separately highlight any criminal and regulatory matters which may have any material adverse effect on the issuer. | Complied with | | |
| (C) | Risk factors shall be determined on the basis of their materiality. In doing so, the following shall be considered: | Complied with | Pg.19 | |
| (1) | Some risks may not be material individually but may be found material collectively. | Complied with | | |
| (2) | Some risks may have an impact which is qualitative though not quantitative. | Complied with | | |

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| (3) | Some risks may not be material at present but may have a material impact in the future. | Complied with | | |
| (D) | Each risk factor shall appear in the following manner: | Complied with | Pg.19 | |
| (1) | Risk as envisaged by the issuer. | Complied with | | |
| (2) | Proposals, if any, to address the risk. | Complied with | | |
| (E) | Proposals to address the risks shall not contain any speculative statement on the positive outcome to any matter or litigation, etc. | Complied with | | |
| (F) | Proposals to address the risks shall not be given for any matter that is sub-judice before any court or tribunal. | Complied with | | |
| (G) | Risk factors shall be disclosed in the descending order of materiality. Wherever risks about material impact are stated, likely or potential, implications, including any financial implication, on the Company for the same shall be disclosed. | Complied with | | |
| (VII) | Introduction: | Complied with | | |
| (A) | Summary: | Complied with | | |
| (1) | Issue details in brief | Complied with | Pg.24 | |
| (B) | General Information: | Complied with | | |
| (1) | Name, addresses of the registered and corporate offices, corporate identity number and the registration number of the issuer, along with the address of the Registrar of Companies where the issuer is registered. | Complied with | Pg.25 | |
| (2) | Names, addresses, telephone numbers and e-mail addresses of the Company secretary and compliance officer of the issuer | Complied with | Pg.26 | |
| (3) | Name, address, telephone number and e-mail address of the Statutory Auditor(s) of the issuer. | Complied with | Pg.26 | |
| (4) | Names, addresses, telephone numbers, contact person, website addresses and e-mail addresses of the bankers to the issue, self-certified syndicate bankers and legal advisors to the issue; URL of SEBI website listing out the details of self-certified | Complied with | Pg.27 | |



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| | | syndicate banks, registrar to issue and share transfer agents, depository participants, etc. | | | |
| (5) | | Statement of inter - se allocation of responsibilities among lead manager , | Not applicable | | |
| (6) | | Following details of credit rating in case of an issue of convertible debt instrument : | Not applicable | | |
| (a) | | The names of all the credit rating agencies from which credit rating including unaccepted rating has been obtained for the issue of convertible debt instruments. | Not applicable | | |
| (b) | | Details of all credit ratings, including unaccepted ratings, obtained for the issue e of convertible debt instruments. | Not applicable | | |
| (c) | | All credit ratings obtained during the preceding three years for any of the issuer's listed convertible debt instruments at the time of accessing the market through a convertible debt instrument | Not applicable | | |
| (7) | | Name, address, telephone number, website address and e-mail address of the debenture trustee in case of an issue of convertible debt instruments. | Not applicable | | |
| (8) | | Name, address, telephone number and e-mail address of the monitoring agency, if appointed, and disclosure to us whether such appointment is pursuant to these regulations. | Not applicable | | |
| (9) | | Details of underwriting: | | Pg.28 | |
| (a) | | Names, address, telephone numbers, and e-mail address of the underwriters and the amount underwritten by each of them. | Complied with | | |
| (b) | | Declaration by the board of directors of the issuer that the underwriters have sufficient resources to discharge their respective obligations. | Complied with | | |
| (c) | | In case of partial underwriting of the issue, the extent of such underwriting. | Not Applicable | | |
| (d) | | Details of the final underwriting arrangement, indicating actual number of specified securities underwritten, in the letter of offer filed with the designated stock exchange. | Noted for compliance | | |
| (10) | | The fact of filing the letter of offer with the Board and the stock exchange(s) and the office of the Board where the letter of offer has been filed. | Complied with to the extent applicable | Pg.27 | |
| (c) | | Capital Structure: The capital structure in | | | |

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| | | the following manner in a tabular form: | | | |
| (1) | Authorized, issued and subscribed capital, after suitable incorporation of the outstanding convertible securities (number of securities, description and aggregate nominal value). | Complied with | Pg.29 | | |
| (2) | Paid-up capital. | Complied with | Pg.29 | | |
| (a) | After the issue. | | | | |
| (b) | After conversion of convertible instruments (if applicable). | Not applicable | | | |
| (3) | The following details of outstanding instruments: | | | | |
| (a) | Details of options, of any , | Not applicable | | | |
| (b) | Details of convertible securities, if any | Not applicable | | | |
| (4) | Details of specified securities held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such specified securities. This information can be incorporated either by reference with specific website details of stock exchange(s) or by providing required details in the letter of offer. | Not applicable | | | |
| (5) | Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the letter of offer with the designated stock exchange in case of a fast track issue and in any other case, the date of filing of the draft letter of offer with the Board. | Not applicable | | | |
| (6) | Intention and extent of participation by the promoter and promoter group in the issue with respect to: | Complied with to the extent applicable | | | |
| (1) | Their rights entitlement. | Complied with to the extent applicable | Pg.29 | | |
| (2) | Their intention to subscribe over and above their rights entitlement. | Complied with to the extent applicable | Pg.29 | | |
| | Provided that such participation shall not result in a breach of the minimum public shareholding requirement stipulated in the | Complied with to the extent | Pg.29 | | |

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| | | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. | applicable | | |
| (7) | | Ex - rights price as referred under clause of (b) of sub - regulation 4 of regulation 10 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011. | Complied with to the extent applicable | Pg.30 | |
| (8) | | Shareholding pattern as in the format prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as submitted to the stock exchanges. This information can be included either by reference specific website details of stock exchange(s) or by providing required details in the letter of offer. | Complied with to the extent applicable | Pg.30 | |
| (9) | | Details of the shareholders holding more than one per cent of the share capital of the issuer. This information can be either included b reference with specific website details of stock exchange(s) or by providing required details in the letter of offer. | Complied with to the extent applicable | Pg.31 | |
| (VIII) | | Particulars of the Issue | Complied with to the extent applicable | | |
| (A) | | Objects of the Issue : | | | |
| (1) | | Objects of the issue for which funds are being raised | Complied with to the extent applicable | | |
| (2) | | If the objects of the issue is repayment of loan or any other debt , then the following disclosures shall be made : | Not applicable | | |
| (a) | | details of loan proposed to be repaid such as name of the lender , tenure , brief terms and conditions and amount outstanding : | Not applicable | | |
| (3) | | If one of the objects is investment in a joint venture or subsidiary or an acquisition , the following additional disclosures shall be made : | Not applicable | | |
| (a) | | details of the form of investment i.e. equity, debt or any other instrument : | Not applicable | | |
| (b) | | if the form of investment has not been decided, a statement to that effect ; | Not applicable | | |
| (c) | | if the investment is in debt instruments, complete details regarding the rate of | Not applicable | | |

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| | | interest, nature of security, terms of repayment, subordination, etc.: | | | |
| (d) | | nature of benefit expected to accrue to the issuer as a result of the investment | Not applicable | | |
| (4) | | If one of the objects of the issue is to grant a loan to an entity other than a subsidiary, details of the loan agreements including the rate of interest, whether secured unsecured, duration, OF nature of security, terms of repayment, subordination, etc. And the nature of benefit expected to accrue to the issuer as a result of the investment. If such a loan is to be granted to any of the group companies, details of the same. | Not applicable | | |
| (5) | | If one of the objects of the issue is utilisation of the issue proceeds for long term working capital, the following additional disclosures on a standalone basis: | | | |
| (a) | | Basis of estimation of working capital requirement, along with relevant assumptions. | Complied with | Pg.33 | |
| (b) | | Reasons for raising additional working capital, substantiating the same with relevant facts and figures. | Complied with | Pg.33 | |
| (c) | | Details of the projected working capital requirement including detailed assessment of working capital after implementation of the project or achievement of objects of the issue, as the case may be, capacity utilization assumptions, break-up of expected current assets into raw materials, finished goods, work in progress, sundry debtors etc., along with the assumption about the holding norms for each type of current asset, total current liabilities, net current assets and envisaged sources of finance for net current assets, i.e., bank finance, institutional finance, own funds, etc. | Complied with to the extent applicable | Pg.33 | |
| (d) | | Total envisaged working capital requirement in a tabular form, the margin money thereof and the portion to be financed by any bank (s) or otherwise. | Not applicable | | |
| (e) | | Details of the existing working capital available with the issuer, along with a break-up of total current assets into raw materials, finished goods, work in progress, sundry debtors, etc., total current liabilities, net current assets and sources of finance for net | Not applicable | | |

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| | | current assets, i.e. , bank finance, institutional finance, own funds, etc. | | | |
| | (f) | If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same. | Not applicable | | |
| | (6) | If an object of the issue is to fund a project, the following details shall be given : | | | |
| | (a) | break-up of the cost of the project for which the money is being raised : | Not applicable | | |
| | (b) | means of financing for the project | Not applicable | | |
| | (c) | location of the project | Not applicable | | |
| | (d) | plant and machinery, technology, process, etc. | Not applicable | | |
| | (e) | Collaboration, performance guarantee if any, or assistance in marketing by the collaborators. | Not applicable | | |
| | (f) | infrastructure facilities for raw materials and utilities like water, electricity, etc. | Not applicable | | |
| | (7) | If one of the objects of the issue is to purchase any plant, machinery, technology, process, etc. the following details shall be given: | Not applicable | | |
| | (a) | Details shall be given in a tabular form, which shall include the details of the equipment required to be bought by the issuer, cost of the equipment, name of the suppliers, date of placement of order and the date or expected date of supply, etc. | Not applicable | | |
| | (b) | In case the order for the equipment is yet to be placed, the date of quotations relied upon for the cost estimates given shall also be mentioned. | Not applicable | | |
| | (c) | The percentage and value terms of the equipment for which orders are yet to be placed shall be stated. | Not applicable | | |
| | (d) | The details of the second hand equipment bought or proposed to be bought, if any, including the age of the machines, balance estimated life, etc. Shall also be given. | Not applicable | | |
| | (8) | If warrants or partially paid shares are proposed to be issued in a rights issue, disclosure of the objects towards which the funds from conversions of warrants / call money for partially paid shares is proposed | Not applicable | | |


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| | | to be used. | | | |
| | (B) | Requirement of Funds: | | | |
| | (1) | Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, expansion, etc., the total project cost activity - wise or project wise, as the case may be. | Not applicable | | |
| | (2) | Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any. Which has already been implemented. | Not applicable | | |
| | (3) | Details of all material existing or anticipated transactions in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies (as defined under the Companies Act, 2013). The relevant documents shall be included in the list of material documents for inspection. | Not applicable | | |
| | (4) | If any part of the proceeds of the issue is to be applied directly or indirectly: | Not applicable | | |
| | (A) | in the purchase of any business; or | Not applicable | | |
| | (B) | in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith: the issuer shall become entitled to an interest in respect to either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof; a report made by accountants (who shall be named in the letter of offer) upon: | Not applicable | | |
| | (i) | The profits or losses of the business of each of the five financial years immediately preceding the issue of the letter of offer, and | Not applicable | | |
| | (ii) | The assets and liabilities of the business at the last date to which the accounts of the business were made. Being a date not more than six months before the date of issue of the draft letter of offer. | Complied with | | |
| | (5) | If: | | | |
| | (A) | any part of the proceeds of the issue is to be applied directly or indirectly in any manner resulting in the acquisition by the issuer of shares in any other body corporate; and | Not applicable | | |
| | (B) | by reason of that acquisition or anything to be done in consequence thereof or in | Not applicable | | |

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| | | connection therewith. that body corporate will become a subsidiary of the issuer; a report made by accountants (who shall be named in the letter of offer) upon: | | | |
| | (i) | the profits or losses of the other body corporate for each of the five financial years immediately preceding the issue of the Letter of Offer, and | Not applicable | | |
| | (ii) | The assets and liabilities of the other body corporate at the last date to which its accounts were made. | Not applicable | | |
| | (C) | Strategic partners to the project or objects of the issue. | Not applicable | | |
| | (D) | Financial partners to the project or objects of the issue. | Not applicable | | |
| | (E) | Funding plan (Means of Finance): | | | |
| | (1) | An undertaking by the issuer confirming in that firm arrangements of finance through verifiable means towards seventy-five per cent. Of the stated means of finance, excluding the amount to be raised through the proposed issue and existing identifiable internal accruals, have been made. | Not applicable | | |
| | (2) | Balance portion of the means of finance for which no firm arrangement has been made without specification. | Not applicable | | |
| | (3) | Details of funds tied up and the avenues for deployment of excess proceeds, if any. | Not applicable | | |
| | (F) | Appraisal (if applicable) | | | |
| | (1) | Scope and purpose of the appraisal, if any, along with the date of appraisal. | Not applicable | | |
| | (2) | Cost of the project and means of finance as per the appraisal report. | Not applicable | | |
| | (3) | Explanation of revision, if any, in the project cost and the means of finance after the date of issue of the appraisal report. | Not applicable | | |
| | (4) | Weaknesses, qualifications and threats given in the appraisal report, by way of risk factors. | Not applicable | | |
| | (G) | Schedule of implementation: The schedule of implementation of the project and the progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, trial production, date of commercial production and reasons for delay, if any. | Not applicable | | |
| | (H) | Deployment of funds : | | | |



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| (1) | Details of the sources of funds and the deployment of these funds on the project (where the issuer is raising capital for a project) , up to a date not earlier than two months from the date of filing the letter of offer with the designated stock exchange , as certified by a Chartered Accountant , along with the name of the chartered accountant and the date of the certificate | Not applicable | | |
| (2) | Where share application money brought in advance by the promoters is deployed in the project and the same is being adjusted towards their rights entitlement in the rights issue, the extent of deployment and utilization of the funds brought in by the promoters. | Not applicable | | |
| (I) | Sources of financing of funds already deployed : Means and source of financing , including details of " bridge loan " or other financial arrangement , which may be repaid from the proceeds of the issue | Not applicable | | |
| (J) | Details of balance fund deployment Year wise break - up of the expenditure proposed to be incurred on the said project. | Not applicable | | |
| (K) | Interim use of funds: A statement that net issue proceeds pending utilization (for the stated objects) shall be deposited only in the scheduled commercial banks. | Complied with | | |
| (L) | Expenses of the issue : Expenses of the issue (in terms of amount , as a percentage of total issue expenses and as a percentage of total issue size) under the following heads : | Complied with | Pg.33 and Pg.34 | |
| (1) | Lead manager(s) fees including underwriting commission | Complied with | | |
| (2) | Brokerage , selling commission and upload fees | Complied with | | |
| (3) | Registrars to the issue | Complied with | | |
| (4) | Legal Advisors | Complied with | | |
| (5) | Advertising and marketing expenses | Complied with | | |
| (6) | Regulators including stock exchanges | Complied with | | |
| (7) | Printing and distribution of issue stationary | Complied with | | |
| (8) | Others, if any (to be specified) . | Complied with | | |


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| (M) | Any special tax benefits for the issuer and its shareholders and its material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. | Complied with | Pg.37 to 39 | |
| (N) | Key Industry Regulations for the proposed objects of the issue (if different from existing business of the issuer) | Not applicable | | |
| (O) | Interest of promoters, promoter group and directors, as applicable to the project or objects of the issue. | Not applicable | | |
| (IX) | Details Business: Description of the industry and nature of the company's operations and its principal activities, including the main categories of products sold and / or services performed, end - users of the issuer's products and / or services. Plant, machinery, technology, process, principal markets in which the Issuer competes, approach to marketing, business strategy and productive capacity and extent of utilization of the issuer's facilities. | Complied with to the extent applicable | Pg.40 and 41 | |
| (X) | Management (Board of Directors and Senior Management) and Organizational Structure: | Complied with | | |
| (A) | Name, date of birth, age, Director Identification Number, address, occupation and date of expiration of the current term of office of manager, managing director and other directors. (Including nominees directors and whole - time directors), period of directorships and directorships in other companies. | Complied with | Pg.47 to 49 | |
| (1) | For each person, details of current and past directorship(s) for a period of five years in listed companies whose shares have been / were suspended from being traded on any of the stock exchanges, during his / her tenure, as follows: | Not applicable | | |
| | Name of the Company : | Not applicable | | |
| | Listed on give name of the stock exchange (s) | Not applicable | | |
| | Date of suspension on the stock exchanges : | Not applicable | | |
| | If trading suspended for more than three months, reasons for suspension and period | Not applicable | | |

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| | | of suspension : | | | |
| | | If the suspension of trading revoked , the date of revocation of suspension : | Not applicable | | |
| | | Term (along with relevant dates) of the director in the above company (ies). (The above details shall be given for the preceding five years. In case of offer documents for fast track issues filed under the provisions of these regulations, the period of five years shall be reckoned on the date of filing of the letter of offer.) | Not applicable | | |
| (2) | | For each person, details of current and past directorship(s) in companies who have been / were delisted from the stock exchange(s) during his / her tenure in the past ten years, as follows: | Not applicable | | |
| | | Name of the company | Not applicable | | |
| | | Listed on give name of the stock exchange (s) | Not applicable | | |
| | | Date of delisting on the stock exchange (s) | Not applicable | | |
| | | Compulsory or voluntary delisting | Not applicable | | |
| | | Reasons for delisting | Not applicable | | |
| | | If relisted, date of relisting on [give name of the stock exchange(s)] | Not applicable | | |
| | | Term (along with relevant dates) of the director in the above company (ies). | Not applicable | | |
| (B) | | Details of senior management and key management. | Complied with | Pg.47 to Pg.49 | |
| (c) | | Current organizational structure. | Complied with | Pg.42 | |
| (XI) | | Financial Information of the issuer: | | | |
| | | One standard financial unit shall be used in the Letter of Offer. | Complied with | | |
| (A) | | Consolidated financial statements of the issuer: | | | |
| | | The audited consolidated financial statements prepared in accordance with applicable accounting standards for the last financial year (with the comparative prior full year period). In addition, the latest limited review financial statements disclosed to the stock exchange with the comparative prior year period (this information should | Complied with to the extent applicable | Pg.51 to 101 | There are no consolidated financial statements only standalone financial statement as company does |

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| | | not be earlier than six months prior to the date of the opening of the issue) - Issuers may voluntarily include additional financial statements, including three years of audited financial statements (but not more than three years), additional stub periods and audited standalone financial statements. The following shall be included in the letter of offer: | | | not have any subsidiary/associate |
| | (i) | Report of statutory auditors on the financial statements. | Complied with | | |
| | (ii) | Balance sheets | Complied with | | |
| | (iii) | Statements of income | Complied with | | |
| | (iv) | Schedules to accounts | Complied with | | |
| | (v) | Statements of changes in stockholders' equity | Complied with | | |
| | (vi) | Statements of cash flows | Complied with | | |
| | (vii) | Statements of accounting policies | Complied with | | |
| | (viii) | Notes to financial statements | Complied with | | |
| | (ix) | Accounting Ratios | Complied with | | |
| | (a) | Earnings per share (Basic and Diluted) | Complied with | | |
| | (b) | Return on net worth | Complied with | | |
| | (c) | Net Assets Value per share | Complied with | | |
| | (d) | EBITDA | Complied with | | |
| | (B) | PROFORMA FINANCIAL STATEMENTS - | Not applicable | | |
| | | The Issuer shall provide pro forma financial statements, as certified by the statutory auditor, of all the subsidiaries or businesses material to the consolidated financial statements where the issuer or its subsidiaries have made an acquisition or divestment including deemed disposal after the latest period for which financial information is disclosed in the letter of offer but before the date of filing of the letter of | | | |



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| | | offer. For this purpose, the acquisition / divestment would be considered as material if the acquired divested business or subsidiary in aggregate contributes 20% or more to turnover, net worth or profit before tax in the latest annual consolidated financial statements of the issuer. The pro forma financial statements shall be prepared for the last completed financial year and the stub period (if any). The pro forma financial statements shall be prepared in accordance with the Guidance Note issued by the ICAI from time to time and certified by the statutory auditor. The issuer company may voluntarily choose to provide pro forma financial statements of acquisitions even when they are below the above materiality threshold. In case of one or more acquisitions or divestments, one combined set of pro forma financial statements should be presented. Where the businesses acquired / divested does not represent a separate entity, general purpose financial statement may not be available for such business. In such cases, combined / carved-out financial statements for such businesses shall be prepared in accordance with the Guidance Note issued by the ICAI from time to time. Further, in case of non-material acquisitions / divestments, disclosures in relation to the fact of the acquisition / divestment, consideration paid / received and mode of financing shall be certified by the statutory auditor of the issuer company. | | | |
| | (C) | AUDIT QUALIFICATION | Not applicable | | |
| | | If the auditors' report for the latest full year or limited review report for the latest stub period on the financial statements is modified, the issuer shall comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to audit report with modified opinion prior to issuing the final letter of offer, including issuing a Statement on Impact of Audit Qualifications in the format specified by the Board from time to | | | |


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SEBI Merchant Banking Registration No.: INM000012689

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| | | time . The impact of any modification of auditors' opinion (where quantifiable) , whether such modification is included in the audited report for the latest full year or limited review report for the latest stub period , shall be shown as adjustments in the line items specified by the Board from time to time to the extent possible for all the financial periods (full - year or stub) presented in the letter of offer , including any comparative prior year periods . Any type of audit modification (qualification, disclaimer or emphasis of matter) shall also be disclosed appropriately in the letter of offer, including as risk factor. | | | |
| (XII) | | A statement to the effect that the price has been arrived at in consultation between the issuer and the lead manager(s) | Complied with | Pg.30 | |
| (XIII) | | Management Discussion and Analysis of financial condition and results of operations | Complied with | Pg.104 | |
| (XIV) | | Disclosures pertaining to willful defaulters or fraudulent borrower: If the issuer or any of its promoter or director has been declared as a willful defaulter, it shall make the following disclosures with respect to each such person separately: | Not applicable | | |
| (a) | | Name of the person declared as a willful defaulter or fraudulent borrower. | | | |
| (b) | | Name of the bank declaring the person as a willful defaulter or fraudulent borrower : | | | |
| (c) | | Year in which the person was declared as a willful defaulter or fraudulent borrower : | | | |
| (d) | | Outstanding amount when the person was declared as a willful defaulter or fraudulent borrower : | | | |
| (e) | | Steps taken, if any, by the person for removal of its name from the list of willful defaulters or fraudulent borrower | | | |
| (f) | | Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision: | | | |
| (g) | | Any other disclosure as specified by the Board. | | | |
| (xv) | | Outstanding Litigations and Defaults: | Not applicable | | |
| (A) | | Pending matters which, if they result in an adverse outcome, would materially and | | | |


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| | | adversely affect the operations or the financial position of the issuer. | | | |
| (B) | | Matters which are pending: | | | |
| (1) | | Issues of moral turpitude or criminal liability on the part of the issuer | | | |
| (2) | | Material violations of the statutory regulations by the issuer, | | | |
| (3) | | Economic offenses where proceedings have been initiated against the issuer. | | | |
| (C) | | For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. | | | |
| (D) | | These disclosures shall be made in respect of the issuer and the subsidiary companies of the issuer whose financial statements are included in the draft letter of offer or letter of offer, either separately or in a consolidated form. | | | |
| (XVI) | | Government Approvals Arrangements: or Licensing All material pending government and regulatory approvals pertaining to the objects of the issue. | Noted for compliance | | |
| (XVII) | | Material Developments: Any material development after the date of the latest balance sheet and its impact on the performance and prospects of the issuer. | Not applicable | | |
| (XVIII) | | Other Regulatory and Statutory Disclosures | Complied with | | |
| (A) | | Authority for the issue and details of the resolution passed for the issue. | Complied with | Pg.106 | |
| (B) | | A statement by the issuer that the issuer, promoters, promoter group, directors have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board. | Complied with | Pg.106 | |
| (C) | | A statement by the issuer if any of the directors of the issuer are associated with the securities market in any manner, and if yes, details of any outstanding action initiated by the Board against the said entities with the relevant details. | Complied with | Pg.106 | |
| (D) | | A statement by the issuer that it is in compliance with the provisions specified in | Complied with | Pg.106 | |

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| | | Clause (1) of this Schedule. | | | |
| (E) | | For a fast track issue, details of compliance with the eligibility requirements. | Not applicable | | |
| (F) | | Disclaimer clauses : | | | |
| (1) | | <p>The letter of offer shall contain the following disclaimer clause in bold capital letters :</p> <p>"It is to be distinctly understood that submission of Letter of Offer to 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 the scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Letter of Offer. The Lead Manager has certified that the disclosures made in the Letter of Offer are generally adequate and are in conformity with SEBI (Issue 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 letter of offer, the lead manager(s) is expected to exercise due diligence to ensure that the issuer discharges its responsibility adequately in this behalf and towards this purpose, the lead manager has furnished to the Securities and Exchange Board of India (SEBI) a due diligence certificate dated 23.10.2021 which reads as follows: (due diligence certificate submitted to the Board to be reproduced here. The filing of the letter of offer does not, however, absolve the issuer from any liabilities under the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the lead manager(s) any irregularities or lapses in letter of offer."</p> | Not applicable | | DLOF is not required to be filed with SEBI as per Regulation 3(b) of ICDR, 2018 as the issue size is less than 50 crore. |
| (2) | | Disclaimer statement from the issuer and | Complied | Pg.107 | |


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| | | lead manager(s): A statement to the effect that the issuer and the lead manager(s) accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk. Investors who invest in the issue will be deemed to have been represented by the issuer and lead manager(s) 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 are relying on independent advice / evaluation as to their ability and quantum of investment in this issue. | with | | |
| | (3) | Disclaimer in respect of jurisdiction: A brief paragraph mentioning the jurisdiction under which the provisions of law and the rules and regulations are applicable to the letter of offer. | Complied with | Pg.107 | |
| | (4) | Disclaimer clause of the stock exchanges. | Complied with | Pg.107 | |
| | (5) | Disclaimer clause of the Reserve Bank of India, the Insurance Regulatory and Development Authority of India and of any other regulatory authority (if applicable) | Not Applicable | | |
| | (G) | The fact of filing the letter of offer with the Board and the stock exchange(s) and the office of the Board where the letter of offer has been filed. | Complied with to the extent applicable | Pg.107 | |
| | (H) | Arrangements or any mechanism evolved by the issuer for redressal of investor grievances and the time is normally taken by it for disposal of various types of investor grievances. | Complied with | Pg.108 | |
| | (XIX) | Offering Information: | | | |
| | (1) | Terms of payments and procedure and time schedule for allotment and demat credit of securities. | Complied with | Pg.112 | |
| | (2) | How to apply, availability of application forms and letter of offer and mode of payment, including the following: | Complied with | Pg.117 | |
| | (a) | Applications by mutual funds: | | | |



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| (1) | A statement under the heads " Procedure for applications by mutual funds " and " Multiple Applications to indicate that a separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications. | Complied with | Pg.129 | |
| (2) | A statement that the application made by an asset management company or by the custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made. | Complied with | Pg.129 | |
| (b) | Applications by non-resident Indians: | Not applicable | | |
| (1) | the name and address of at least one place in India from where individual non-resident Indian applicants can obtain the application forms. | Not applicable | | |
| (c) | Application by ASBA investors: Details of Application Supported by Blocked Amount process including specific instructions for submitting Application Supported by Blocked Amount. | Complied with | Pg.123 | |
| (d) | A statement that the shareholders who have not received the application form can apply, along with the requisite application money, by making an application that is available on the website of registrar, stock exchanges, lead managers or on a plain paper with same details as per Application form available online. | Complied with | Pg.124 | |
| (e) | The format to enable shareholders to make an application on a plain paper specifying therein necessary particulars such as name, address, ratio of rights issue, issue price, number of equity shares held, depository participant ID, client ID, number of equity shares applied for , amount to be blocked with SCSB for using ASBA facility. Application form available online on the website of registrar, stock exchanges, lead managers may be used for providing requisite details: | Complied with | | |
| (f) | A statement that shareholders making an application on a plain paper cannot renounce their rights and shall not utilize the application form for any purpose including | Complied with | Pg.134 | |

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| | | renunciation even if it is received subsequently. | | | |
| (3) | | Dealing with Fractional Entitlement: Manner of dealing with fractional entitlement viz. payment of the equivalent of the value, if any, of the fractional rights in cash etc. | Complied with | Pg.113 | |
| (4) | | Provisions of the Companies Act, 2013, as relating to punishment for fictitious applications, including the disclosures that any person who: | Complied with | Pg.130 | |
| (a) | | makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or | Complied with | Pg.131 | |
| (b) | | makes or abets making of multiple applications to a company in different names or in different combinations of his / her name or surname for acquiring or subscribing for its securities; or | Complied with | Pg.131 | |
| (c) | | Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to such person, or to any other person in a fictitious name. Provided that any penalty imposed pursuant to Companies Act, 2013 shall also be disclosed. | Complied with | Pg.131 | |
| (5) | | A statement that credit of specified securities to the demat account / issuing instructions for un-blocking of ASBA shall be done within a period of fifteen days and interest shall be payable in case of delay in issuing instructions for un-blocking of ASBA at the prescribed rate. In cases where refunds are applicable, such refunds shall be made within a period of fifteen days and interest shall be payable in case of delay. Liability of issuer and its directors (who are officers in default) issue instructions for unblocking / make refunds along with specified rate of interest shall also be mentioned, in case refunds not made within the specified timeline. | Complied with | Pg.116 | |
| (6) | | Mode of making refunds: | Complied with | Pg.132 | |
| (a) | | The mode in which the issuer shall make refunds to applicants in case of an oversubscription or failure to list or otherwise. | Complied with | | |
| (b) | | if the issuer proposes to use more than one mode of making refunds to applicants, the | Noted for compliance | | |


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| | | respective cases where each such mode will be adopted shall be disclosed . | | | |
| (c) | | The permissible modes of making refunds are as follows : | Complied with | | |
| (i) | | Unblocking amounts blocked using ASBA facility : | | | |
| (ii) | | In case of applicants residing in any of the centers specified by the Board : by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using Direct Credit , RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) or NACH (National Automated Clearing House) , as applicable , as is for the time being permitted by the Reserve Bank of India ; | | | |
| (iii) | | In case of other applicants : by despatch of refund orders by registered post , where the value is 1500 / - or more , or under certificate of posting in other cases , (subject however to postal rules) and | | | |
| (iv) | | In case of any category of applicants specified by the Board: crediting of refunds to the applicants in any electronic manner permissible by the Board. | | | |
| (xx) | | Undertaking by the issuer in connection with the issue: the issuer shall undertake that | Complied with | Pg.131 and 132 | |
| (a) | | Complaints received in respect of the issue shall be attended to by the issuer expeditiously and satisfactorily. | Complied with | | |
| (b) | | Steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the specified securities are to be listed are taken within the time limit specified by the Board. | Complied with | | |
| (c) | | 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 the issuer. | Complied with | | |
| (d) | | where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days 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. | Complied with | | |
| (e) | | Where release of block on the application | Complied | | |

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| | | amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants. | with | | |
| (f) | | Adequate arrangements shall be made to collect all ASBA applications | Complied with | | |
| (g) | | In case of convertible debt instruments, the issuer shall additionally undertake that : | Not applicable | | |
| (1) | | it shall forward the details of utilization of the funds raised through the convertible debt instruments, duly certified by the statutory auditors of the issuer, to the debenture trustee at the end of each half-year. | | | |
| (2) | | It shall disclose the name and address of the debenture trustee in the annual report | | | |
| (3) | | It shall provide a compliance certificate to the convertible debt instrument holders on an annual basis in respect of compliance with the terms and conditions of issue of debentures as contained in the Letter of Offer. duly certified by the debenture trustee | | | |
| (4) | | It shall furnish a confirmation certificate that the security created by the issuer in favour of the convertible debt instrument holders is properly maintained and is adequate to meet the payment obligations towards the convertible debt instrument holders in the event of a default. | | | |
| (5) | | It shall extend necessary cooperation to the credit rating agency (ies) in providing the requisite information in a true and adequate manner till the debt obligations in respect of the instrument are outstanding. | | | |
| (XXI) | | Utilization of Issue Proceeds: The letter of offer, other than for an issue made by a scheduled commercial bank or a public financial institution, shall contain a statement of the board of directors of the issuer to the effect that: | Complied with | | |
| (A) | | all monies received out of issue of shares or specified securities to the public shall be transferred to a separate bank account. | Complied with | Pg.131 | |
| (B) | | details of all monies utilized out of the issue referred to in clause (A) shall be disclosed under an appropriate separate head in the | Complied with | Pg.131 | |



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| | | balance sheet of the issuer indicating the purpose for which such monies had been utilised; and | | | |
| | (C) | details of all unutilised monies out of the issue of specified securities referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested. | Complied with | Pg.131 | |
| | (XXII) | Restrictions on foreign ownership of Indian securities, if any: | Complied with | Pg.132 | |
| | (XXIII) | Statutory and other information : | Complied with | Pg.136 | |
| | (A) | Allotment of specified securities shall be in the dematerialized form | Complied with | Pg.122 | |
| | (B) | Material contracts and time and place of inspection which shall include copies of the Annual Reports of the issuer for the last five years. | Complied with | Pg.136 | |
| | (XXIV) | Any other material disclosures, as deemed necessary. | Not applicable | | |
| | (XXV) | Declaration: | | | |
| | | "No statement made in this letter of offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with." The draft letter of offer (in case of issues other than fast track issues) and the letter of offer shall be approved by the Board of Directors of the issuer and shall be signed by all directors including the Managing Director within the meaning of the Companies Act, 2013 or Manager within the meaning of the Companies Act, 2013 and the Chief Financial Officer or any other person heading the finance function and discharging that function. The signatories shall further certify that all disclosures made in the letter of offer are true and correct. | Complied with | Pg.137 | |
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| | (5) | An issuer shall make a copy of the offer document of the immediately preceding public issue or rights issue available to the public in the manner specified in these regulations and shall also make such document available as a material document for inspection. | Complied with | Pg.136 | |
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MSE/LIST/2022/1450

December 28, 2022

To,
The Company Secretary and Compliance Officer,
Shraddha Industries Limited
D-91, MIDC, Jalgaon, Maharashtra 425001.

Sub: In-Principle approval under Regulation 28 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Dear Sir,

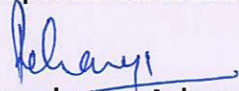
This is with reference to your application along with necessary documents and subsequent correspondences thereto for obtaining the in-principle approval for issue of total size of upto Rs. 16,41,98,355 of equity shares of Rs. 10/- (Rupees Ten) each issued at a premium of Rs. 5 per share i.e issue price of Rs. 15 on rights basis to the eligible equity shareholders of the company as on record date. In this regards and having regards to documents submitted by you and representation made by you, the Exchange is pleased to grant an in-principle approval for the aforesaid issue subject to fulfilling of the following conditions:-

1. Receipt of Statutory and other approvals and compliance of guidelines issued by the statutory authorities including SEBI, RBI, MCA etc.
2. Compliance with all the guidelines, regulations, directions of the Exchange or any statutory authorities, documentary requirements from time to time.
3. Compliance of Companies Act, 2013 & its rules thereunder and other applicable laws.
4. Compliance of all conditions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and its amendments thereof as on date of listing.
5. Compliance of all conditions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and its amendments thereof as on date of listing.
6. Compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.

Further, the Exchange reserves its right to withdraw its In-principle approval at any stage if it is found that the information submitted by the Company is incomplete/ incorrect/ misleading/ false or is contravening any of the rules, bye laws and regulations of the Exchange, provisions of the Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by any statutory authorities etc.

Kindly note that the listing and trading approval pursuant to allotment of shares would be provided only after the Company complies with all the post issue formalities of the Exchange.

For and on behalf of
Metropolitan Stock Exchange of India Limited


Praveenkumar Acharya
AVP – Listing

Metropolitan Stock Exchange of India Limited