

# SHRADHA INDUSTRIES LTD.

SHRADHA INDUSTRIES LIMITED

SHRADHA INDUSTRIES LIMITED (SIL) ("Company" or "Issuer") was Originally Incorporated on 1<sup>st</sup> 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](http://www.shradhaindustries.com)

Contact Person: Ms. Harsha Bandhekar, Company Secretary and Compliance Officer, E-mail: [shradhaindustrieslimited1@gmail.com](mailto: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  
DRAFT LETTER OF OFFER

ISSUE OF [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] 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 [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE NUMBER 110 OF THIS DRAFT 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 Draft Letter of Offer. Specific attention of investors is invited to the section titled "Risk Factors" on page number 19 of this Draft 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 Draft 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 Draft 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 Draft 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 [●] 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 Draft Letter of Offer up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" on page number 135.



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](mailto:info@kreocapital.com)

Website: [www.kreocapital.com](http://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](mailto:subhashdhingreja@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

Contact Person: Mr. Subhash Dhingreja

SEBI Registration No. INR000003241

#### ISSUE PROGRAMME

ISSUE OPENS ON

LAST DATE FOR RECEIVING REQUESTS  
FOR APPLICATION FORMS

ISSUE CLOSES ON



Membership No: ACS 54849

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft 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 Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*In this Draft 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 Draft 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 Draft 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 Draft 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 Rasoni, 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



“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 Draft 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 Draft 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 Draft 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”	<b>Registered Office:</b> D-91, MIDC, Jalgaon – 425 001, Maharashtra, India & <b>Corporate Office:</b> 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
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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
“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

-“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 [●] filed with SEBI 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

“Issue”	Issue of up to [●] fully paid-up equity shares of face value of Rs. 10 /- each of our Company for cash at a price of [●] (including a premium of [●]) 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 [●] Rights Equity Shares for every [●] Equity Shares held by such Eligible Equity Shareholders on the Record Date.
“Issue Closing Date”	[●]
“Issue Opening Date”	[●]
“Issue Price”	[●]
“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 Draft 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”	[●]
“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)

"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 [●] Rights Equity Shares for [●] Equity Shares held on [●].</p> <p>The Rights Entitlements with a separate ISIN [●]. 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 ClosingDate 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

<b>Term</b>	<b>Description</b>
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**

<b>Term</b>	<b>Description</b>
AIF(s)	Alternative investment fund(s) as defined in and registered under the AIFRegulations
FDI	Foreign Direct Investment
FMCD	Fast Moving Consumer Durables
GST	Goods and Services Tax
Gol / 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 Draft Letter of Offer, 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 Draft Letter of Offer, 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 Draft Letter of Offer, 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft 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 Draft Letter of Offer or the date of such information.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE 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 Draft 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 Draft Letter of Offer/ 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 Draft Letter of Offer/ 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 Draft 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 Draft 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 Draft Letter of Offer are to the page numbers of this Draft 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 Draft 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 30<sup>th</sup> 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 Draft 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 Draft Letter of Offer.

In this Draft 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer should accordingly be limited. For further information, see "Financial Information" on page number 50 of this Draft Letter of Offer.

Certain figures contained in this Draft 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 Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft 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 Draft Letter of Offer, all figures have been expressed in hundreds.

## Exchange Rates

This Draft 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](http://www.fbil.org.in))

## FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft 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 Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft 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 effectivemanner;
- 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*”. Bytheir 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 DRAFT 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 Draft 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, 16, 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 Draft 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	[•]
<b>Net Proceeds</b>	<b>[•]</b>

#### 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	[•]
	<b>Total</b>	<b>[•]</b>

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

**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 Draft 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)
<b>Cases filed against our Company</b>		
Civil	Nil	Nil
<b>Cases filed by our Company</b>		
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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer.

(₹ in hundreds)

Particulars	Details of Equity Shares
<b>Rights Equity Shares offered in the Issue</b>	[•] Rights Equity Shares
<b>Rights Entitlement</b>	[•] Rights Equity Shares for every [•] fully paid-up Equity Shares held on the Record Date
<b>Record Date</b>	[•]
<b>Face Value per Rights Equity Share</b>	Rs. 10/- each
<b>Issue Price</b>	[•] including a premium of [•] per Rights Equity Share
<b>Issue size</b>	Rs. 16,41,983.55
<b>Equity Shares issued and outstanding prior to the Issue</b>	[•] Equity Shares
<b>Equity Shares subscribed and paid up outstanding prior to the Issue</b>	1243927 Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	[•] Equity Shares
<b>Terms of the Issue</b>	Please refer to “ <i>Terms of the Issue</i> ” on page number 110 of this Draft Letter of Offer
<b>Use of Issue Proceeds</b>	For further information, see “ <i>Objects of the Issue</i> ” on page number 33 of this Draft Letter of Offer
<b>Security Codes</b>	Symbol: SHRADHAIND Face Value: 10.00 ISIN: INE 489 B01015 Industry: SUPPORT SERVICES
<b>Use of Issue Proceeds</b>	For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page number 33 of this Draft Letter of Offer.
<b>Terms of the Issue</b>	For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page number 110 of this Draft 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	Indictive Date
Issue Opening Date	[•]
Last date for On Market Renunciation of Rights	[•]
Issue Closing Date*	[•]

\* 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 our Company as on the date of filing this Draft Letter of Offer comprises of the following:

DIN	Name	Begin date	Address
00162965	Mr. Sunil Rasoni	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, Ramdaspath Nagpur Maharashtra India 440010

For further details of our Board of Directors, see “Our Management” on page number 47 of this Draft 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><b>Ms. Harsha Bandhekar</b>  <b>Company Secretary</b>  <b>Address : Umiya Complex Phase 2, A2 Room No. 14,</b>  <b>Ganesh Mandir Road, Near Sai mandir, Titwala East -</b>  <b>421605 Kalyan</b>  <b>Telephone number:91-9284535330</b>  <b>Email:harsha.bandhekar@raisoni.net</b>  <b>(ICSI Membership No. : ACS 54849)</b></p>	<p><b>Kreo Capital Private Limited</b>  <b>SEBI Registered Category I Merchant Banker</b>  <b>SEBI Registration No: INM000012689</b>  <b>Telephone: +91-22-41731000 / +91-712-6652070</b>  <b>Investor grievance E-mail: info@kreocapital.com</b>  <b>Website: <a href="http://www.kreocapital.com">www.kreocapital.com</a></b>  <b>Contact Person: Mr. Ayush parakh</b></p>
Registrar to the Issue	Satutory Auditor
<p><b>Skyline Financial Services Pvt. Ltd.</b>  <b>Email: subhashdhingreja@skylinerta.com</b>  <b>Website: www.skylinerta.com</b>  <b>Contact Person: Mr. Subhash Dhingreja</b>  <b>SEBI Registration No.: INR000003241</b></p>	<p><b>Name : M/s. Paresh Jairam Tank &amp; Co</b>  <b>Telephone Number:+91-9370944311</b>  <b>Address:101, Laxminarayan Enclave,Opp Dhantoli Garden</b>  <b>Main Gate, Bhivapurkar Marg, Dhantoli,Nagpur -440012</b>  <b>Email: tankparesh@yahoo.com</b></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: 8600177757**

**Contact Person: Mr. Manoj Mankar**

**Address: Shriram Shyam Tower,**

**Near NIT Building Sadar**

**Nagpur-440001.**

**Email: manoj.mankar@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 Draft, and such consent has not been withdrawn as on the date of this Draft 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 this 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 and as the issue size is less than 50 cr the DLOF is not required to be filed 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 Issue of Rights Equity Shares is being underwritten.

### 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:

<b>Issue Opening Date:</b>	[●]
<b>Last date for on market renunciation of rights</b>	[●]
<b>Last date for off market renunciation of rights</b>	[●]
<b>Issue Closing Date:</b>	[●]

The Board of Directors or a duly authorized committee (if any) 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 Draft 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
<b>A</b>	<b>Authorised Share Capital</b>		
	12,340,000 Equity Shares of Rs.10/- each		[•]
	1,60,000 Preference Shares of ` 10/- each	12,50,000.00	
<b>B</b>	<b>Issued Capital</b>		
	12,43,927 Equity Shares of 10/- each	1,24,39,270	
<b>C</b>	<b>Subscribed and Paid-Up Capital before the Issue</b>		
	12,43,927 Equity Shares of 10/- each	1,24,39,270	[•]
<b>D</b>	<b>Present Issue being offered to the Equity Shareholders through the Letter of Offer aggregating upto [•] Equity Shares of face value Rs. 10 each.</b>		
	[•] Rights Equity Shares of 10/- each at a premium of Rs.[•] i.e. at an Issue Price of [•] per Equity Share.	[•]	[•]
<b>E</b>	<b>Issued, Subscribed and Paid-up Capital after the Offer</b>	Issued capital should be mentioned separately after offer	
	[•] Equity Shares of 10/- each <sup>(2)</sup>	[•]	[•]
<b>F</b>	<b>Subscribed and Paid-up Capital after the Offer</b>		
	[•] Equity Shares of face value of Rs. 10 each	[•]	
<b>G</b>	<b>Securities Premium Account</b>	[•]	
	Before the Issue		[•]
	After the Issue <sup>(2)</sup>		[•]

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) of the Takeover Regulations is ₹ [●]/- per equity share.

**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 Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	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
<b>Grand Total</b>	<b>520</b>	<b>1243927</b>	<b>1243927</b>	<b>100.00</b>	<b>1029970</b>

(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+C2)	Number of Equity Shares held in dematerialized form
<b>1. INDIAN</b>					
<b>a. Individuals/ Hindu undivided family</b>	<b>5</b>	<b>461598</b>	<b>461598</b>	<b>37.11</b>	<b>461598</b>
<b>b. Any other (i + ii)</b>					
i. Bodies corporate	6	467072	467072	37.55	467072
ii. Directors and their relatives	0	0	0	0	0
<b>2. FOREIGN</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total (1+2)	<b>11</b>	<b>928670</b>	<b>928670</b>	<b>74.66</b>	<b>928670</b>

(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 (A+B+C)	Number of Equity Shares held in dematerialized form
<b>1.INSTITUTIONS</b>					
Mutual Funds	0	0	0	0	0
Financial Institutions/ Banks	0	0	0	0	0
<b>2.CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)/ PRESIDENT OF INDIA</b>	0	0	0	0	0
<b>3. NON- INSTITUTIONS</b>					
(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					
<b>TOTAL (i+ii+iii+iv+v)</b>	<b>509</b>				
<b>Total Public Shareholding 1+2+3</b>	<b>509</b>	<b>315257</b>	<b>315257</b>	<b>25.34</b>	<b>101300</b>

(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 Draft 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 DraftLetter 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 Draft 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 [•] Equity Shares of Rs. 10/- each of our Company at a price of Rs. [•] per Equity Share (including share premium of Rs. [•] 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	[•]
<b>Net Proceeds</b>	<b>[•]</b>

### 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	[•]
	<b>Total</b>	<b>[•]</b>

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

**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
<b>Total</b>	<b>16,41,983.55</b>

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 <sup>th</sup> Gen, 8gb RAM, 256 SSD, HDMI Port, Power Cable, Monitor Cable, 19.5 LED.	24 <sup>th</sup> 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 aggregating [●] 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 Draft 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 [●] towards these expenses, which is [●] %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)	[●]	[●]	[●]
Advertising and marketing expenses Printing, stationery and distribution Expenses	[●]	[●]	[●]
Regulatory including stock exchange and other statutory expenses	[●]	[●]	[●]
Other Miscellaneous Expense	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

#### 4. General Corporate Purposes

We intend to deploy [●] 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. [●] as of [●], towards issue expense as certified by [●] Chartered Accountants *vide* Certificate dated [●], 2022. 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 <sup>th</sup> 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 Draft 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

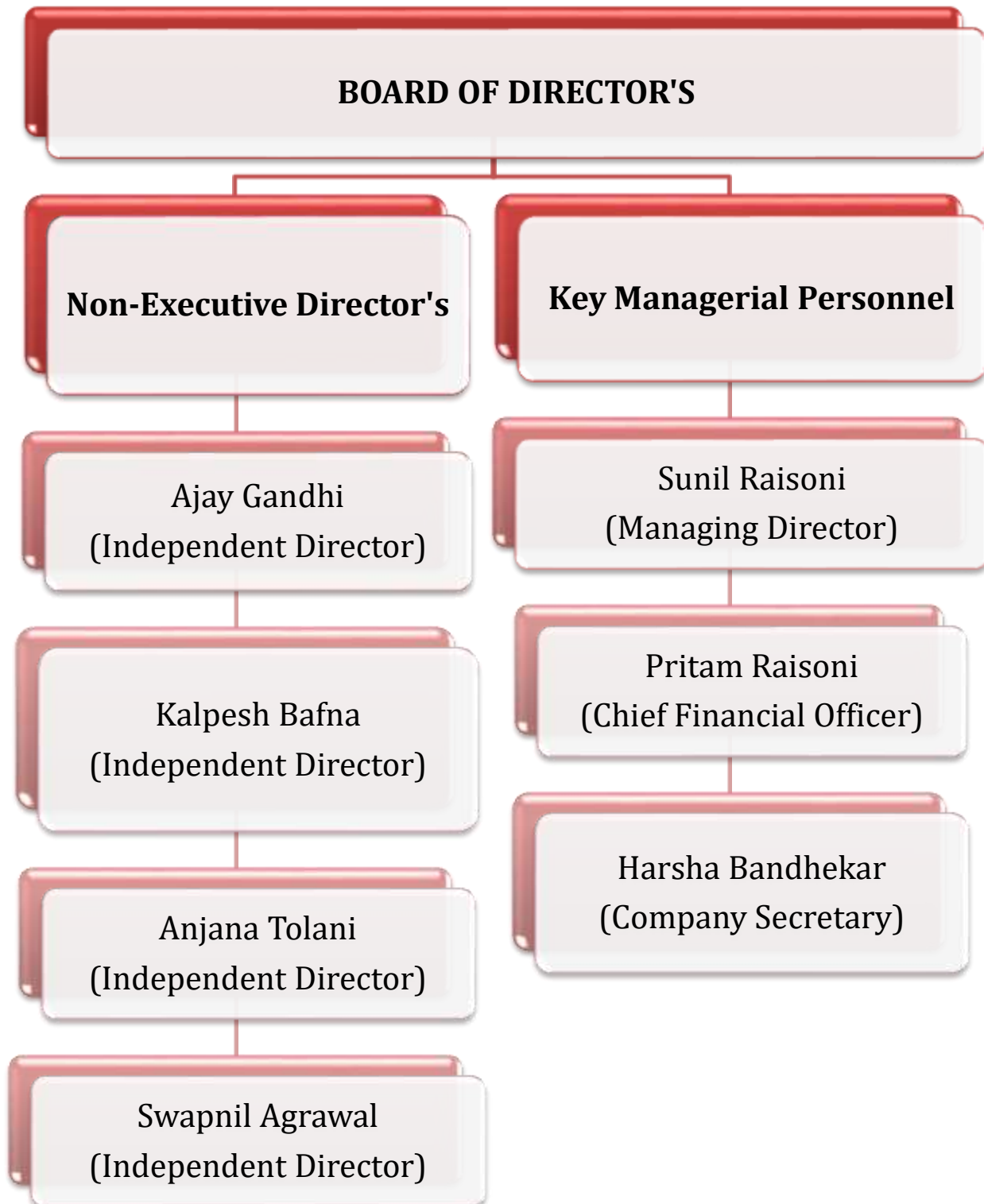
We have a track record of revenue delivery and profitability across various markets with healthy cash flows. The following table sets forth our total revenue from operations, EBITDA and profit for the year/period on a consolidated basis

### 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 31<sup>st</sup> 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 25<sup>th</sup> 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 20<sup>th</sup> 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

## 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 Draft 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 Draft Letter of Offer:

No.	Name, Designation, Address, Occupation, Term and DIN	Age (Years)	Other Directorships
1.	<p><b>Mr. Sunil Raisoni</b>  <b>Designation: Managing Director</b>  <b>Address: Shradha Bunglow, Plot No. 75, Shivaji Nagar, Shankar Nagar S.O., Nagpur-440010, Maharashtra</b>  <b>Occupation: Business</b>  <b>Period of Directorship: Since 18<sup>th</sup> November 2022</b>  <b>Term: Five years effective from 18th November 2022,</b>  <b>Date of birth: 11/12/1961</b>  <b>DIN: 00162965</b></p>	61	<p>1. RATLAM RAILWAY INFRA PRIVATE LIMITED (Director)                  2. MOUNT ABU RAILWAY INFRA PRIVATE LIMITED (Director)                  3. SGR INFRA TECH LIMITED (Director)                  4. GHR SONS EDUCATIONAL AND MEDICAL RESEARCH 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)</p>
2.	<p><b>Anjana Tolani</b>  <b>Designation: Non-Executive, Independent Director - Non Promoter</b>  <b>Address: Plot No. 36, S N Tolani, Khamla Road, Sindhi Hindi High School, Sindhi Colony, Khamla, Nagpur MH IN - 440025</b>  <b>Occupation: Professional</b>  <b>Period of Directorship: : Since 18<sup>th</sup> November 2022</b>  <b>Term: Five years effective from 18th November 2022,</b>  <b>Date of birth: 18/04/1991</b>  <b>DIN: 09794298</b></p>	31	NIL
3.	<p><b>Kalpesh Lalitkumar Bafna</b>  <b>Designation: Non-Executive, Independent Director - Non Promoter</b>  <b>Address: Sonika 8291-212 Nandanwan Colony Behind Jakhete Petrol Pump, Khajamiya Chauk Jalgaon 425001 Mh In</b>  <b>Occupation: Business</b>  <b>Period of Directorship: since 25<sup>th</sup></b></p>	44	NIL

	<p><b>March 2016</b>  <b>Term: 5 years from 30<sup>th</sup> September, 2021 up to 30th September, 2026</b>  <b>Date of birth: 04/09/1978</b>  <b>DIN: 07484027</b></p>		
4.	<p><b>Swapnil Shivkumar Agrawal</b>  <b>Designation: Non-Executive, Independent Director - Non Promoter</b>  <b>Address: Near Paranjape School, Plot No.222, Khare Town Dharam Peth, Shankar Nagar S.O, Nagpur MH 400010</b>  <b>Occupation: Employed</b>  <b>Period of Directorship: w.e.f. 7<sup>th</sup> November 2022</b>  <b>Term: for a period of 1 year</b>  <b>Date of birth: 13/02/1978</b>  <b>DIN: 01709908</b></p>	44	<ol style="list-style-type: none"> <li>1. Bindraban horticulture pvt. Ltd.- Managing Director</li> <li>2. A A Energy Private Limited- Wholetime Director</li> <li>3. Nandkishore Lifespaces Private Limited- Director</li> <li>4. Infobay Interactive India Privatelimited- Director</li> <li>5. Tisha Navigation Private Limited- Director</li> </ol>
5.	<p><b>Ajay Kumar Gandhi</b>  <b>Designation: Non-Executive, Independent Director - Non Promoter</b>  <b>Address: Flat No. B-5 AUM Ganga 120 Farmland, Ramdaspath Nagpur Maharashtra India 440010</b>  <b>Occupation: Business</b>  <b>Period of Directorship: w.e.f. 7<sup>th</sup> November 2022</b>  <b>Term: for a period of 1 year</b>  <b>Date of birth: 29/03/1962</b>  <b>DIN: 09516767</b></p>	60	Gandhi Topline Private Limited-Director
6.	<p><b>Pritam Avinash Raisoni</b>  <b>Designation: Chief Financial Officer (CFO)</b>  <b>Address: House no 10 , Vitraag, Saraswati Wadi , Behind Dyan Mandir,Ganpati Nagar, Jalgaon ,M.j.college, Jalgaon,MH</b>  <b>Period of serving as CFO: since 24<sup>th</sup> June 2014</b>  <b>Date of Birth: 15/12/1980</b>  <b>PAN: ADKPR9324D</b>  <b>Email: <a href="mailto:praisoni@hotmail.com">praisoni@hotmail.com</a></b></p>	42	Not Applicable
7.	<p><b>Harsha Ramesh Bandhekar</b>  <b>Designation: Company Secretary</b>  <b>Address: Umiya Complex Phase 2, A2 Room No. 14, Ganesh Mandir Road, Near Sai mandir, Titwala East - 421605 Kalyan</b>  <b>Occupation: Service</b>  <b>Period of Service as CS: since 12<sup>th</sup> February 2022</b>  <b>Date of Birth: 17/12/1986</b>  <b>PAN: AMJPB3787E</b>  <b>Email: <a href="mailto:harsha.bandhekar@raisoni.net">harsha.bandhekar@raisoni.net</a></b></p>	36	Not Applicable

## Past Directorships in listed companies

<b>Mr. Sunil Raisoni</b>	<b>Shradha Infraprojects Limited (Managing Director)</b>	<b>Cessation date: 30/09/2020</b>
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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 Draft 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 Draft 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**

**INDEX**

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2.	Unaudited Financial Results for three months period ended September 30, 2022, prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI (LODR) Regulations, 2015, which are subjected to Limited Review by Statutory Auditors of the Company	96

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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 31<sup>st</sup> 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.







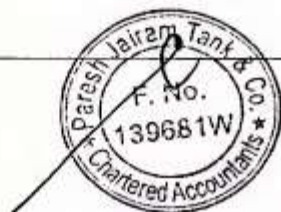
**Key Audit Matters**

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
<p>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>	<p><b><u>Our audit procedures to assess the net realisable value (NRV) of inventories included and were not limited to the following::</u></b></p> <ul style="list-style-type: none"> <li>• 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");</li> <li>• Considered the ready reckoner / stamp duty valuation rates for land and construction thereof considering the location of the projects.</li> <li>• Considered market rates prevailed during the year for land and construction thereof based on the location of the projects, based on available information.</li> <li>• Obtained and reviewed the management assessment of the NRV including judgement and estimates applied in valuations.</li> <li>• 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..</li> <li>• Performed subsequent event procedures upto the date of the audit report</li> </ul>





### **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.







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

- 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

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

- 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 31<sup>st</sup> March'2022. Accordingly provisions of section 123 of the Companies Act 2013 is not applicable during Financial year 2021-22

For Paresb Jairam Tank & Co.

Chartered Accountants

Firm Reg. No. 139681W

CA. Paresb Jairam Tank

Partner

Membership No.: 103605

UDIN: 22103605AJUKM04989



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

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

- 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. Dhantoli Garden Main Gate, Bhivapurkar Marg, Dhantoli 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 31<sup>st</sup> 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 Paresch Jairam Tank & Co.

Chartered Accountants

Firm Reg. No. 139681W

CA. Paresch Jairam Tank

Partner

Membership No.: 103605

UDIN: 22103605AJUKM04989

Nagpur, May 23, 2022



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

Amount In Rs('00)

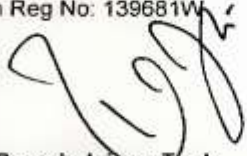
Particulars	Note No	As at 31st March, 2022	As at 31st March, 2021
<b>I. ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	3	3,182.32	11,507.41
<b>(b) Financial assets</b>			
(i) Investments	4	8,97,048.17	7,40,480.40
(ii) Other Financial assets	5	220.00	555.90
(c) Other non-current assets	6	7,500.00	7,500.00
<b>Total Non-current assets</b>		<b>9,07,950.49</b>	<b>7,60,043.71</b>
<b>B. Current assets</b>			
(a) Inventories	7	-	2,03,786.21
<b>(b) Financial Assets</b>			
(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
<b>Total Current assets</b>		<b>14,67,670.34</b>	<b>8,83,006.60</b>
<b>TOTAL ASSETS</b>		<b>23,75,620.83</b>	<b>16,43,050.31</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(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
<b>Total Equity</b>		<b>21,56,768.96</b>	<b>15,16,470.55</b>
<b>B. Liabilities</b>			
<b>B.1 Non-current liabilities</b>			
(a) Provisions	16	65.15	-
(b) Deferred tax liabilities (Net)	17	90,027.35	1,22,700.86
<b>Total Non-current liabilities</b>		<b>90,092.50</b>	<b>1,22,700.86</b>
<b>B.2 Current liabilities</b>			
<b>(a) Financial liabilities</b>			
<b>(i) Trade payables:</b>			
(A) Total outstanding dues of micro enterprise and small enterprises	18	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		609.61	24.98
<b>(ii) Other financial liabilities:</b>			
(b) Other current liabilities	19	1,035.00	1,488.65
(c) Provisions	20	1,876.17	2,365.27
(d) Current tax liabilities (Net)	21	0.22	-
	22	1,25,238.37	-
<b>Total Current liabilities</b>		<b>1,28,759.37</b>	<b>3,878.90</b>
<b>Total liabilities</b>		<b>2,18,851.87</b>	<b>1,26,579.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,75,620.83</b>	<b>16,43,050.31</b>

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: 22103605 A1UUKM04989

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	<b>Total Income (I+II)</b>		<b>10,72,834.10</b>	<b>96,478.49</b>
IV	<b>Expenses</b>			
	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
	<b>Total expenses (IV)</b>		<b>4,90,562.78</b>	<b>75,854.90</b>
V	<b>Profit/ (loss) before tax (III-IV)</b>		<b>5,82,271.31</b>	<b>20,623.59</b>
VI	<b>Tax expense</b>			
	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
	<b>Total Tax Expense</b>		<b>1,57,218.71</b>	<b>5,341.12</b>
VII	<b>Profit/ (loss) for the Year (V - VI)</b>		<b>4,25,052.61</b>	<b>15,282.47</b>
VIII	<b>Other comprehensive income</b>			
	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		-	-
	<b>Total Other Comprehensive Income for the year</b>		<b>2,15,245.80</b>	<b>2,81,428.15</b>
	<b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>6,40,298.41</b>	<b>2,96,710.63</b>
	<b>Earnings per equity share at par value of Rs. 10 each (Amount in Rupees) :</b>			
	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: 22105605AJUKM04989

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*

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	
<b>A) Cash Flow from Operating Activities</b>				
Net Profit before Tax	5,82,271.32		20,623.59	
<b>Adjustments for Non-Cash Items:</b>				
Depreciation	190.46		424.14	
Profit on sale of Asset	73,134.13			
Derecognition of Asset	268.76		-	
<b>Operating profit before working capital changes</b>		<b>5,09,596.42</b>		<b>21,047.74</b>
<b>Adjustment for Working Capital Changes :</b>				
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)	
<b>Total working capital changes</b>	<b>1,91,871.21</b>		<b>(9,652.94)</b>	
Direct Taxes Paid (Net)	5,965.57		(9,084.48)	
Taxes of earlier years	-		104.40	
<b>Net Cash From Operating Activities (A)</b>		<b>6,95,502.06</b>		<b>2,414.71</b>
<b>B) Cash Flow from Investing Activities</b>				
Net Proceeds from Loans	(7,82,390.09)		(1,699.23)	
Sale of Property, Plant and Equipment	80,999.99		-	
<b>Net Cash used in Investing Activities (B)</b>		<b>(7,01,390.10)</b>		<b>(1,699.23)</b>
<b>C) Cash Flow from Finance Activities</b>				
<b>Net Cash used in Financing Activities (C)</b>				
<b>Net Increase / ( Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>(5,888.04)</b>		<b>715.48</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>		<b>8,321.12</b>		<b>7,605.63</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>2,433.07</b>		<b>8,321.12</b>

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: 2 2 103605AJUKMO4989

Nagpur, 23rd May 2022



*S.S. Raisonni*

Mrs. Shobha Raisonni

Managing Director

DIN No. 00162943

*Ravindra Sharma*

Mr. Ravindra Sharma

Director

DIN No. 07457726

*Pritam Raisonni*

Mr. Pritam Raisonni

Chief Financial Officer

*Harsha Bandhekar*

Ms. Harsha Bandhekar

Company Secretary

Nagpur, 23rd May 2022



**SHRADHA INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**  
**For the year ended 31<sup>st</sup> 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
<b>Total</b>	<b>1,24,392.70</b>	<b>-</b>	<b>1,24,392.70</b>	<b>-</b>	<b>1,24,392.70</b>

**(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
<b>Total</b>	<b>1,24,392.70</b>	<b>-</b>	<b>1,24,392.70</b>	<b>-</b>	<b>1,24,392.70</b>

**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
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,25,052.61</b>	<b>4,25,052.61</b>	<b>2,15,245.80</b>	<b>6,40,298.41</b>
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
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,282.47</b>	<b>15,282.47</b>	<b>2,81,428.15</b>	<b>2,96,710.63</b>
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. Darsha 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	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	-	-	268.76	
4.	Furniture and Fixtures	26,081.35	-	-	26,081.35	-	-	25,674.87	406.48	406.48	
5.	Office Equipments	17,837.50	-	-	17,837.50	-	-	17,069.46	768.04	768.04	
6.	Electric Installation	12,485.55	-	1,570.60	10,914.95	-	1,492.08	10,369.36	545.59	624.11	
7.	Computers	6,436.80	-	-	6,436.80	91.06	-	6,253.06	183.74	274.79	
	<b>Total</b>	<b>81,282.97</b>	<b>2,072.75</b>	<b>20,440.12</b>	<b>62,915.60</b>	<b>190.46</b>	<b>10,232.75</b>	<b>59,733.28</b>	<b>3,182.32</b>	<b>11,507.41</b>	
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	181.91	-	3,901.55	6,930.06	7,111.97	
3.	Plant and Equipment	5,375.00	-	-	5,375.00	-	-	5,106.24	268.76	268.76	
4.	Furniture and Fixtures	26,081.35	-	-	26,081.35	-	-	25,674.87	406.48	406.48	
5.	Office Equipments	17,837.50	-	-	17,837.50	24.00	-	17,069.46	768.04	792.04	
6.	Electric Installation	12,485.55	-	-	12,485.55	-	-	11,861.44	624.11	624.11	
7.	Computers	6,436.80	-	-	6,436.80	218.23	-	6,162.01	274.79	493.02	
	<b>Total</b>	<b>81,282.97</b>	<b>-</b>	<b>-</b>	<b>81,282.97</b>	<b>424.14</b>	<b>-</b>	<b>69,775.56</b>	<b>11,507.41</b>	<b>11,931.55</b>	



**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)	<b>Investment in Equity Instruments (Quoted)</b> <b>Measured at fair value through other comprehensive income</b>				
	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
	<b>Sub Total</b>		<b>883,542.37</b>		<b>726,974.60</b>
(b)	<b>Investment in Equity Instruments (Unquoted)</b> <b>Measured at Amortised Cost</b>				
	SGR Ventures Private Limited	90,000.00	900.00	90,000.00	900.00
	Ketki Research Institute of Medical Science Limited	1,000.00	100.00	1,000.00	100.00
	G. H. Raisoni 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
	<b>Sub Total</b>		<b>13,505.80</b>		<b>13,505.80</b>
	<b>Total</b>		<b>897,048.17</b>		<b>740,480.40</b>
	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
<b>Note 5: Other Financial Assets</b>		
Security Deposits	220.00	555.90
<b>Total</b>	<b>220.00</b>	<b>555.90</b>
<b>Note 6: Other Non-current Assets</b>		
Capital Advance	7,500.00	7,500.00
<b>Total</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>Note 7: Inventories</b>		
<b>Work-in-progress:</b> (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	-
<b>Total</b>	<b>-</b>	<b>2,03,786.21</b>
<b>Note 8: Trade Receivables</b>		
Trade receivables – Considered Good Unsecured	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note 9: Cash and cash equivalents</b>		
Balances with banks in current account	1,111.17	7,021.80
Cash on hand	1,321.90	1,299.32
<b>Total</b>	<b>2,433.07</b>	<b>8,321.12</b>
<b>Note 10: Loans</b>		
<b>Loans receivables – Considered Good - Unsecured</b>		
Loan to Others	14,49,803.48	6,67,413.38
<b>Total</b>	<b>14,49,803.48</b>	<b>6,67,413.38</b>
<b>Note 11: Other Current Financial Assets</b>		
Interest accrued on Loans	-	-
Other receivables	-	120.00
<b>Total</b>	<b>-</b>	<b>120.00</b>
<b>Note 12: Current tax assets (net)</b>		
<b>1) Income Tax Refund Receivable of earlier years</b>	387.74	10.25
<b>2) Income Tax Refund Receivable of current period</b>		
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
<b>Total</b>	<b>387.74</b>	<b>397.99</b>
<b>Note 13: Other Current Asset</b>		
<b>Advances other than capital advances:</b>		
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	-
<b>Total</b>	<b>15,046.05</b>	<b>2,967.89</b>



**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
<b>Authorised Share Capital</b>				
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
<b>Issued Share Capital / Subscribed Share Capital / Paid-Up Share Capital</b>				
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
<b>Grand Total</b>	<b>7,59,364</b>	<b>61.05</b>	<b>7,59,364</b>	<b>61.05</b>



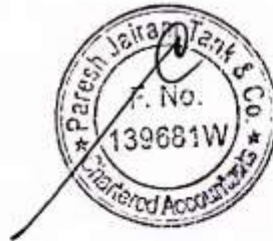


**Shraddha Industries Limited**  
Notes forming part of Financial Statement for the Year ended on 31st March, 2022

**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
<b>Promoter Shareholding- Body Corporates</b>			
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%	-
<b>Promoter Shareholding- Individuals</b>			
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%	-
<b>Total Promoter Shareholding</b>	<b>9,28,670</b>	<b>74.66%</b>	<b>-</b>





**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
<b>Note 15: Other Equity</b>		
<b>Reserves and Surplus</b>		
<b>Capital Redemption Reserve</b>		
Amount as per previous year balance Sheet	2,000.00	2,000.00
<b>Securities Premium</b>		
Amount as per previous year balance Sheet	98,272.00	98,272.00
<b>General Reserve</b>		
Amount as per previous year balance Sheet	213,028.92	213,028.92
<b>Retained Earnings</b>		
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	<b>932,943.69</b>	<b>507,891.08</b>
<b>Total</b>	<b>1,246,244.61</b>	<b>821,192.00</b>
<b>Other Comprehensive Income</b>		
<b>Revaluation of Listed Equity Instruments</b>		
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	<b>786,131.65</b>	<b>570,885.85</b>
<b>Total</b>	<b>786,131.65</b>	<b>570,885.85</b>
<b>Total</b>	<b>2,032,376.26</b>	<b>1,392,077.85</b>
<b>Note 16: Provisions</b>		
Provision for Gratuity	65.15	-
<b>Total</b>	<b>65.15</b>	<b>-</b>
<b>Note 17: Deferred tax Assets / liabilities (Net)</b>		
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)
<b>Total Deferred tax (asset) / liability</b>	<b>90,027.35</b>	<b>149,393.26</b>
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
<b>Total MAT Credit entitlement</b>	<b>(0.00)</b>	<b>26,692.40</b>
<b>Deferred tax (Assets) / liabilities (Net)</b>	<b>90,027.35</b>	<b>122,700.86</b>



**Shradha Industries Limited**

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

<u>Particulars</u>	As at 31st March, 2022	As at 31st March, 2021
<b>Note 18: Trade Payables</b>		
Total Outstanding dues of Micro Enterprises & Small Enterprises	-	-
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises	609.61	24.98
<b>Disclosures under Section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises:</b>		
(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.		
<b>Total</b>	<b>609.61</b>	<b>24.98</b>





**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
<b>Note 19: Other Financial Liabilities</b>		
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
<b>Total</b>	<b>1,035.00</b>	<b>1,488.65</b>
<b>Note 20: Other Current Liabilities</b>		
Statutory dues payable	1,876.17	1,365.27
Advance against Property	-	1,000.00
<b>Total</b>	<b>1,876.17</b>	<b>2,365.27</b>
<b>Note 21: Provisions</b>		
Provision for Gratuity	0.22	-
<b>Total</b>	<b>0.22</b>	-
<b>Note 22: Current Tax Liabilities (net)</b>		
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	-
<b>Total</b>	<b>1,25,238.37</b>	-



**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
<b>Note 23: Revenue From Operations</b>		
Sales of Traded Goods	35,039.42	48,409.19
Sale of Inventory (Land)	9,05,000.00	-
<b>Total</b>	<b>9,40,039.42</b>	<b>48,409.19</b>
<b>Note 24: Other Income</b>		
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	-
<b>Total</b>	<b>1,32,794.29</b>	<b>48,069.30</b>
<b>Note 25: Cost of goods sold (land)</b>		
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
<b>Cost of Goods Sold</b>	<b>4,27,826.98</b>	<b>-</b>
<b>Total</b>	<b>4,27,826.98</b>	<b>-</b>
<b>Note 26: Purchase of Stock in Trade</b>		
Purchases of Stock in Trade	34,372.46	47,736.57
<b>Total</b>	<b>34,372.46</b>	<b>47,736.57</b>
<b>Note 27: Employee benefit expense</b>		
Directors Remuneration	18,000.00	18,000.00
Salaries	3,073.45	4,300.59
Leave Encashment	123.59	158.00
<b>Total</b>	<b>21,197.04</b>	<b>22,458.59</b>
<b>Note 28: Other Expenses</b>		
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
<b>Total</b>	<b>6,975.83</b>	<b>5,235.60</b>





**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
<b>Total</b>	-	<b>2,03,786.21</b>

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.

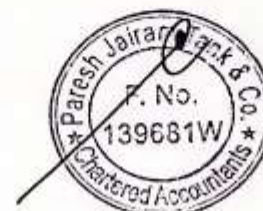
**B Liquidity risk**

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	-	-
<b>Total</b>	<b>2,433.07</b>	<b>8,321.12</b>



**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
<b>Assets:</b>					
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
<b>Liabilities:</b>					
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
<b>Assets:</b>					
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
<b>Liabilities:</b>					
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
<b>Table I: Assumptions</b>	
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.
<b>Table II: Change in Present Value of Obligations</b>	
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
<b>Table III: Amount to be recognised in Balance Sheet</b>	
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)
<b>Table III: Amount to be recognised in Statement of profit &amp; Loss A/C</b>	
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 Raison	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 Raison	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)	<b>Expenditure</b>						
a.	<b>Mrs. Shobha Raison</b>						
	Managerial Remuneration	-	-	-	18,00,000 (18,00,000)	-	18,00,000 (18,00,000)
b.	<b>Ms. Jinal Bavishi</b>						
	Salary/ Remuneration	-	-	-	23,484 (2,70,134)	-	23,484 (2,70,134)
c.	<b>Ms. Harsha</b>						





	Nature of Transaction	a) Wholly Owned Subsidiary	b) Associate	c) By virtue of control	d) Key Management Personnel	e) Other Related Parties	Total
	<b>Bandhekar</b>						
	Salary/ Remuneration	-	-	-	27355		27355
(B)	<b>Sales</b>						
a.	<b>Shradha Infraprojects Ltd.</b>						
	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:

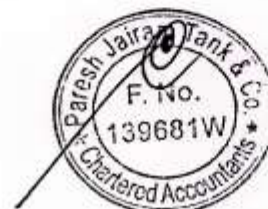
-NIL

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
	<b>Earnings Per Share</b>		
	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 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> 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 (Current Assets / Current Liabilities)	11.40	227.64	-94.99%	Variance in is due to sale of land which was held as stock-in-trade
(b)	Debt-Equity Ratio (Total Debt / Total Equity)	NA	NA	NA	-
(c)	Debt Service Coverage Ratio (EBITDA & Non Cash Items / Total Installment)	NA	NA	NA	-
(d)	Return on Equity Ratio (Net Profit After Tax / Average Shareholders' Equity)	23.14%	1.12%	22.03%	Increase in profit due to sale land held as stock in trade and sale of Fixed Asset
(e)	Inventory turnover ratio (Net Sales/ Average Inventory)	9.23	0.24	3751.82%	Variance in is due to sale of land which was held as stock-in-trade
(f)	Trade Receivables turnover ratio (Net Sales/ Average accounts receivable)	NA	NA	NA	-
(g)	Trade payables turnover ratio (Net Purchases/ Average accounts payable)	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
(h)	Net capital turnover ratio (Net Sales / Working Capital)	0.70	0.06	1175.02%	Variance is due to increase in sales on account of sale of land held as Inventory.
(i)	Net profit ratio (Profit After Tax / Net Sales)	45.22%	31.57%	13.65%	No Substantial Variance
(j)	Return on Capital employed (EBIT / (Net Worth- Intangible Asset+ Deferred Tax Liability)	25.92%	1.26%	24.66%	No Substantial Variance
(k)	Return on investment (Gain on Investment / Total Investment)	21.14%	83.83%	-63%	Decrease of Gain in Fair Value of Listed 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 AJUkM04989

Nagpur, 23<sup>rd</sup> May, 2022

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

*S.S. Raisoni*

**Mrs. Shobha Raisoni**

*Managing Director*

*Ravindra*

**Mr. Ravindra Sharma**

*Director*

*Pritam Raisoni*

**Mr. Pritam Raisoni**

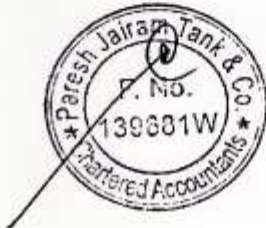
*Chief Financial Officer*

*Harsha Bandhekar*

**Ms. Harsha Bandhekar**

*Company Secretary*

Nagpur, 23<sup>rd</sup> May, 2022





**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 30<sup>th</sup> 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

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

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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 Paresch Jairam Tank & Co.**

*Chartered Accountants*

Firm Reg. No. 139681W



**CA. Paresch Jairam Tank**

*Partner*

Membership No. 103605

UDIN: 22103605 BC KNDE7337

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	25,887.81	21,358.99	85,880.00	47,046.80	97,840.00	1,32,794.67
III	<b>Total Income (I+II)</b>	<b>32,656.04</b>	<b>1,69,215.41</b>	<b>87,290.00</b>	<b>2,01,871.45</b>	<b>1,00,050.00</b>	<b>10,72,834.10</b>
IV	<b>Expenses</b>						
	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
	<b>Total expenses (IV)</b>	<b>14,421.81</b>	<b>1,44,318.87</b>	<b>8,030.00</b>	<b>1,58,740.68</b>	<b>16,300.00</b>	<b>4,90,562.78</b>
V	<b>Profit/ (loss) before tax (III-IV)</b>	<b>18,234.23</b>	<b>24,896.55</b>	<b>79,250.00</b>	<b>43,130.77</b>	<b>83,750.00</b>	<b>5,82,271.31</b>
VI	<b>Tax expense</b>						
	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)
	<b>Total Tax Expense</b>	<b>16,033.22</b>	<b>6,750.37</b>	<b>15,480.00</b>	<b>22,783.59</b>	<b>16,660.00</b>	<b>1,57,218.71</b>
VII	<b>Profit/ (loss) for the period (V - VI)</b>	<b>2,201.01</b>	<b>18,146.17</b>	<b>63,770.00</b>	<b>20,347.18</b>	<b>67,080.00</b>	<b>4,25,052.61</b>
VIII	<b>Other comprehensive income</b>						
	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)	(58,860.00)
	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	-	-	-	-	-	-
	<b>Total Other Comprehensive Income for the period</b>	<b>1,42,558.43</b>	<b>(69,761.22)</b>	<b>1,04,230.00</b>	<b>72,797.20</b>	<b>2,61,500.00</b>	<b>2,15,250.00</b>
	<b>Net of Tax</b>						
	<b>Total Comprehensive Income for the period (VII+VIII)</b>	<b>1,44,759.44</b>	<b>(51,615.05)</b>	<b>1,68,000.00</b>	<b>93,144.39</b>	<b>3,28,580.00</b>	<b>6,40,302.61</b>
	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
	<b>Earnings per equity share at par value of Rs. 10 each (Amount in Rupees)* :</b>						
	a) Basic	<b>0.18</b>	<b>1.46</b>	<b>5.13</b>	<b>1.64</b>	<b>5.39</b>	<b>34.17</b>
	b) Diluted	<b>0.18</b>	<b>1.46</b>	<b>5.13</b>	<b>1.64</b>	<b>5.39</b>	<b>34.17</b>

\* 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**

- 1 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.
- 2 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".
- 3 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.
- 4 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.
- 5 There is no significant impact with respect to COVID 19 pandemic during the half year ended September 30, 2022.
- 6 The results of the company are also available on stock exchange website -www.mse.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)
<b>I. ASSETS</b>			
<b>A. Non-current assets</b>			
(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
<b>Total Non-current assets</b>		<b>9,89,109.23</b>	<b>9,07,950.49</b>
<b>B. Current assets</b>			
(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
<b>Total Current assets</b>		<b>13,83,555.44</b>	<b>14,67,670.34</b>
<b>TOTAL ASSETS</b>		<b>23,72,664.67</b>	<b>23,75,620.83</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(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
<b>Total Equity</b>		<b>22,49,913.34</b>	<b>21,56,768.96</b>
<b>B. Liabilities</b>			
<b>B.1 Non-current liabilities</b>			
(a) Provisions	16	65.15	65.15
(b) Deferred tax liabilities (Net)	17	98,752.46	90,027.35
<b>Total Non-current liabilities</b>		<b>98,817.61</b>	<b>90,092.50</b>
<b>B.2 Current liabilities</b>			
(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
<b>Total Current liabilities</b>		<b>23,933.71</b>	<b>1,28,759.37</b>
<b>Total liabilities</b>		<b>1,22,751.32</b>	<b>2,18,851.87</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,72,664.67</b>	<b>23,75,620.83</b>

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
<b>A) Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax</b>	43,130.78	83,750.00
<b>Adjustments for Non-Cash Items:</b>	-	-
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
<b>Operating profit before working capital changes</b>	<b>(3,902.28)</b>	<b>9,548.76</b>
<b>Adjustment for Working Capital Changes :</b>		
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)
<b>Total working capital changes</b>	<b>(1,05,942.60)</b>	<b>(84,699.78)</b>
Direct Taxes Paid (Net)	(1,24,364.88)	-
Current Tax Asset	-	-
Current Tax liability	(1,24,364.88)	-
Deffered Tax	-	-
Taxes of earlier years	(11,878.53)	-
<b>Net Cash From Operating Activities (A)</b>	<b>(2,46,088.29)</b>	<b>(75,151.02)</b>
<b>B) Cash Flow from Investing Activities</b>		
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	-
<b>Net Cash used in Investing Activities (B)</b>	<b>2,04,797.34</b>	<b>69,500.00</b>
<b>C) Cash Flow from Finance Activities</b>		
Interest Income	41,673.86	-
<b>Net Cash used in Financing Activities (C)</b>	<b>41,673.86</b>	<b>-</b>
<b>Net Increase / ( Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>382.91</b>	<b>(5,651.02)</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>2,433.07</b>	<b>8,321.12</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>2,815.98</b>	<b>2,670.10</b>

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

Mrs. Shobha Rasoni  
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:

1. **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.
2. **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.
3. **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.
4. **EBITDA** Profit before tax plus finance costs plus depreciation and amortization expenses less interest income.
5. **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*
<b>Total Borrowings:</b>		
Current Borrowings (A)	0.00	-
Non-Current borrowings (including current maturities) (B)	0.00	[●]
<b>Total Borrowings (C) = (A) + (B)</b>	<b>0.00</b>	[●]
<b>Total Equity:</b>		
Share Capital (D)	1,24,392.7	[●]
Reserve & Surplus (E)	20,32,376.26	[●]
<b>Total Equity (F) = (D) + (E):</b>	<b>21,56,768.96</b>	[●]
<b>Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (C) / (F)</b>		[●]

\*The corresponding post Issue figures shall be updated at the time of filing of Letter of Offer.

## 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 Issue Price of [●] 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 Draft 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 Draft 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 draft 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 Draft 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 MSEI for listing of the Rights Equity Shares to be allotted in the Issue Pursuant to their letters dated [●].

Our Board in their meeting held on [●] have determined the Issue Price as [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] 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 Draft 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 Draft 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 [●]. 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 has not been filed with SEBI in terms of SEBI ICDR Regulations as 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 Draft 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 Draft 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 Draft Letter of Offer. You must not rely on any unauthorized information or representations.

The Draft 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 Draft 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 Draft 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 Jalgaon 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 this Draft Letter of Offer has been submitted to MSEI. The Disclaimer Clause as intimated by MSEI to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

### **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 Draft Letter of Offer has been filed with SEBI for observations.

Accordingly, none of this Draft 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 Draft 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 [●] lacs towards these expenses, a break-up of the same is as follows:

( in hundreds )

Activity	Estimated Expenses	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, registrar fees and expenses)	[●]	[●]	[●]

Activity	Estimated expense	% of Total expenses	As a % of Issue size
Advertising, Printing, stationery and distribution expenses	[●]	[●]	[●]
Statutory and other Miscellaneous expenses	[●]	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

#### 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 Draft 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 Draft 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](mailto: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 Draft 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, i.e. [●], 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 [•] (including a premium of [•] per Rights Equity Share). The Issue Price has been arrived at, by us in consultation with the Lead Manager.

**Terms of payment** - 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. [•], you are entitled to the number of Rights Equity Shares in the ratio of [•] Rights Equity Shares for every [•] 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://shradhhaindustries.com/>) which can be checked by keying therequisite 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 [•] Rights Equity Shares for every [•] 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. [●] 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 [●], 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 [●] 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. [●].
- (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 Draft 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 [●] 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](http://www.skylinerta.com)) and on the website of our Company at ([www.shradhaindustries.com](http://www.shradhaindustries.com)) which can be checked by keying the requisitedetails 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 - [●] 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 equityshareholders. 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 [●] being at least four 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. [●] for REs so obtained will be permanently deacti-vated 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. [●] dated [●] and from MSE pursuant to their letter no. [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within seven 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](http://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 Renounee.**

**Please note that in accordance with the provisions of the SEBI – Rights Issue Circular, all Eligible Equity Shareholder(s) (including renounee) 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 Draft 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](http://www.shradhhaindustries.com)
- The Registrar to the Issue at: [www.skylinerta.com](http://www.skylinerta.com)
- The Lead Managers at: [www.kreocapital.com](http://www.kreocapital.com)
- The Stock Exchanges at: [www.msei.in](http://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](http://www.skylinerta.com) and on the website of our Company at ([www.shradhhaindustries.com](http://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](http://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](http://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 Investors 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 Draft 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 Renounee 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 Renounee 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 Renounees: (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 Renounee. The renounee 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 renounee 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.

Renounee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue. Renounee(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 Renounee(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 - [●]. 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 and shall close on [●] (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 - [●] 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 expenses (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 till [●] (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 transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN - [●], 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](http://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 [●]. 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 application 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 “[●]” or “[●]” 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 [●] 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 authorised 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 / Renounees:**

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) jointnames 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 regulatoryorders.
- (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 (andis 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 minorshaving 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:

<b>Issue Opening Date:</b>	[●]
<b>Last date for On Market Renunciation of Rights Entitlement</b>	[●]
<b>Last date for Off Market Renunciation of Rights Entitlement</b>	[●]
<b>Issue Closing Date:</b>	[●]

The Board of Directors or a duly authorized committee 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 Draft Letter of Offer, the 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 favour, 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 [●] Rights Equity Shares or not in multiples of [●] 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 Draft 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. Renounees 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 Renounees 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 Draft 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 draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer until the Issue Closing Date.

#### (A) Material Contracts

1. Appointment Agreement dated 24/11/2022 between our Company and the Lead Manager to the Issue.
2. Registrar Agreement between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] amongst our Company, the Lead Manager, Registrar to the Issue and the Banker(s) to the Issue.
4. Underwriting Agreement dated [●] 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 18/11/2022 pursuant to section 62 of the Companies Act, 2013 authorizing the Issue.
4. Prospectus dated 11/08/1995 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 Draft 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 21/11/2022 (Practicing Chartered Accountant) New Delhi, the Statutory Auditors of our Company.
8. Tripartite Agreement dated 16/11/2017 between our Company, National Securities Depository Limited and the Registrar to the Issue.
9. Tripartite Agreement dated 02/06/2017 between our Company, Central Depository Services (India) Limited and the Registrar to the Issue.
10. Due Diligence Certificate dated [●] addressed to SEBI from the Lead Manager.
11. In-principle listing approvals dated [●] and [●] from MSEI, respectively.

Any of the contracts or documents mentioned in this Draft 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.

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

Place: Nagpur  
Date: 26<sup>th</sup> November 2022





