



PACIFIC INDUSTRIES LIMITED

Our Company was incorporated as a public limited company under the Companies Act, 1956, at Jaipur, Rajasthan, as Pacific Granites Limited. Our Company was granted a certificate of incorporation and certificate of commencement of business dated July 13, 1989 and August 28, 1989, respectively, by the Registrar of Companies Jaipur, Rajasthan. Thereafter, the name of our Company was changed to Pacific Industries Limited and a fresh certificate of incorporation, consequent upon change of name, was issued by the Registrar of Companies, Bangalore on November 25, 1994. The registered office of our Company was shifted from the state of Rajasthan to the state of Karnataka pursuant to the order passed by the Hon'ble Company Law Board, New Delhi Bench on November 30, 2011.

Registered Office: Survey No. 13, National Highway 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka

Corporate Office: Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313004, Rajasthan

Corporate Identification Number: L14101KA1989PLC062041,

Contact Person: Mr. Sachin Shah, Company Secretary and Compliance Officer

Tel: +91-294-2440196/2440388/2440933/2440934; **Fax:** +91-294-2440780 (Udaipur)

Tel: 080 7723004 / 7725974; **Fax:** 080 7723005; (Bangalore)

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Website: www.pacificindustriesltd.com

PROMOTERS OF THE COMPANY: MR. JAGDISH PRASAD AGARWAL, MRS. GEETA DEVI AGARWAL AND MR. KAPIL AGARWAL

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO [•] EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING PREMIUM OF ₹ [•] PER EQUITY SHARE) ("RIGHTS EQUITY SHARE") FOR AN AMOUNT AGGREGATING UP TO ₹48,00,00,000 (RUPEES FOUR THOUSAND EIGHT HUNDRED LAKHS ONLY) ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF PACIFIC INDUSTRIES LIMITED ("THE COMPANY" OR THE "ISSUER") IN THE RATIO OF [•] EQUITY SHARE FOR EVERY [•] FULLY PAID-UP EQUITY SHARE(S) (I.E., [•]) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•] (THE "ISSUE").

THE ISSUE PRICE IS [•] TIMES THE FACE VALUE OF ₹10/- EACH.

FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 215 OF THIS LETTER OF OFFER

WILFUL DEFAULTERS

Neither our Company, nor any of our Promoters or Directors are categorised as wilful defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by Securities and Exchange Board of India (the "SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to the section titled 'Risk Factors' on page 24 of this Draft letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing equity shares of our Company are listed on BSE Ltd. ("BSE"). We have received "in-principle" approval from BSE for listing the equity shares arising from the Issue vide its letter dated [•]. For the purposes of the Rights Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



SRUJAN ALPHA
CAPITAL ADVISORS

SRUJAN ALPHA CAPITAL ADVISORS LLP

Registered Office: 112A, Arun Bazar, Swami Vivekananda Road, Malad West, Mumbai-400064 Maharashtra

Correspondence Address: 824 & 825, Corporate Avenue, Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate, Goregaon, Mumbai- 400064

Tel: +91-22- 4016 7322

E-mail: pil.rightsissue@srujanalpha.com

Website: www.srujanalpha.com

Contact Person: Mr. Jinesh Doshi

LLPIN No.: AAW-1680

SEBI Registration No.: INM000012829



LINK INTIME INDIA PRIVATE LIMITED

C 101, 1st Floor, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai -400083, Maharashtra

Tel: +91 22 49186200

Email: pacific.rights@linkintime.co.in

Investor grievance email: pacific.rights@linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON

LAST DATE FOR ON MARKET RENUPAITION FOR SPLIT
APPLICATION FORMS

ISSUE CLOSES ON

[•]

[•]

[•]

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SECTION I – GENERAL DEFINITION AND ABBREVIATIONS

In this Letter of Offer, unless the context otherwise indicates or implies, or unless specified, the terms defined, and abbreviations expanded herein below shall have the same meaning as stated in this section. The words expressions used in this Letter of Offer 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 and modifications notified thereto. The following list of capitalised terms used in this document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Notwithstanding the foregoing, terms used in the chapter entitled ‘Statement of Tax Benefits’, section entitled ‘Financial Information’, and chapter entitled ‘Outstanding Litigation and Defaults’ beginning 68, 108, and 197 respectively, shall have the meaning ascribed to such terms in these respective chapters and section.

GENERAL TERMS

Term	Description
“Pacific Industries Limited” or “Pacific” or “the Company”, or “the Resulting Company”, or “our Company”	Pacific Industries Limited, a public limited company incorporated under Companies Act, 1956, as amended, and having its registered office at Survey No.13, N.H.48, Kempalinganhalli, Nelamangala Taluka Bangalore KA 562123 and having its corporate office at Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313004 Rajasthan

COMPANY RELATED TERMS

Term	Description
“We” or “us” or “our”	Unless the context otherwise indicates or implies, our Company with its Subsidiaries on a consolidated basis.
AGM	Annual General Meeting
Articles / Articles of Association / AOA	Articles of Association of our Company, as amended from time to time.
Auditor/Statutory Auditor	M/s Ravi Sharma & Co., Chartered Accountants
Audited Financial Statement /Audited Financial Information	The audited consolidated financial statements of our Company for the financial year ended March 31, 2022 which comprises of the balance sheet as at March 31, 2022, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year March 31, 2022, prepared in conformity with Indian Accounting Standards prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Board or Board of Directors	Board of Directors of our Company, including any committee thereof
Corporate Office	Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313004, Rajasthan
Chairman	Chairman of our Company, Jagdish Prasad Agarwal.
Chief Financial Officer or CFO	Chief financial officer of our Company, Kapil Agarwal
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Sachin Shah
Consolidated Financial Statements	Collectively, Audited Consolidated Financial Statements and Unaudited Consolidated Financial Statements.
Director(s)	Director(s) on the Board of Directors.
Equity Shareholder	A holder of Equity Shares, from time to time.
Equity Share(s)	The equity shares of our Company of a face value of ₹10 each, unless otherwise specified in the context thereof
Executive Directors	Jagdish Prasad Agarwal and Kapil Agarwal
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "Our Management – Key Managerial Personnel" on page 107.
Limited Review Report	Report dated November 12, 2022 prepared by the statutory auditors of our Company, M/s Ravi Sharma & Co, Chartered Accountants on the Unaudited Financial Results of our Company for the Six-month ended on September 30, 2022.
Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
Promoter(s)	Mr. Jagdish Prasad Agarwal, Mrs. Geeta Devi Agarwal and Mr. Kapil Agarwal
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company located at Survey No. 13, National Highway 48, Kempalinganahalli Village, Nelamangala Taluk, Bangalore (R) 562123 Karnataka
Registrar of Companies/ RoC	The Registrar of Companies, Karnataka at Bangalore.
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time.
Limited Review Unaudited Financial Statements/ Review Unaudited Financial Results	The limited review unaudited financial results for the Six months ended September 30, 2022 prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the notes thereto.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer or ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment / Allot / Allotted /Allotment of Rights Equity Shares	Unless the context requires, the allotment of Equity Shares pursuant to the Issue
Allottee(s)	Person(s) to whom Equity Shares are issued pursuant to the Issue
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of allotment by the Designated Stock Exchange
Allotment Date	The date on which Allotment is made
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through submission 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 to subscribe to the Issue Shares at the Issue Price.
Application Form	The CAF and / or the EAF, as the case may be.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bankers to the Company	HDFC Bank Limited
Bankers to the Issue	HDFC Bank Limited

Banker to the Issue Agreement	Agreement dated January 28, 2022 entered into by and amongst our Company, Registrar to the Issue, Lead Manager and the Banker to the Issuer
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “Terms of the Issue” beginning on page no. 215
BSE	BSE Limited
Common Application Form / CAF	The form used by an Investor to make an application for the Allotment of Issue Shares in the Issue, in accordance with the SEBI Rights Issue Circular.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Letter of Offer / LOF	The Draft Letter of Offer dated [•] filled with BSE including any addenda or corrigenda thereto
Eligible equity Shareholder(s)	Holder(s) / Beneficial Owner of the Equity Shares of our Company as on the Record Date
Investor(s)	Eligible Equity Shareholder(s) of the Company as on Record Date [•] (date) and the Renouncee(s)
IEPF	Investor Education and Protection Fund
Issue / Rights Issue	An issue of up to [•] equity shares of face value ₹10 each (Issue Shares) of our Company for cash at a price of [•] per Equity Share (including a share premium of [•] per Equity Share) (Issue Price), aggregating up to [•] lakh by our Company. The Issue comprises of an issue of up to [•] Equity Shares to the Eligible Equity Shareholders of our Company on rights basis (Rights Equity Shares) in the ratio of [•] Rights Equity Shares for every [•] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date, that is on [•] (Rights Issue).
Issue Agreement	Agreement dated January 20, 2022 entered between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[•]
Issue Opening Date	[•]

Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [•] per Equity Share.
Issue Proceeds	The Gross proceeds raised through the Issue
Issue Size	The issue of [•] Equity Shares for an amount aggregating up to 4800 Lakhs* (*Assuming full subscription)
Lead Manager/ LM	Srujan Alpha Capital Advisors LLP
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange
Multiple Application Forms	More than one Application Form submitted by an Eligible Equity Shareholder / Renouncee in respect of the same Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple application
Net issue proceeds / Net proceeds	Issue Proceeds less the Issue related expenses. For, further details, see “Objects of the Issue” beginning on page 59.
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
Offer Documents	The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [•]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2 (1) (ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [•]
Refund Bank	HDFC Bank Limited
Registrar to the Issue / Registrar / RTA	Link Intime India Private Limited

Registrar Agreement	Agreement dated 20.01.2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off - market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s) / RE's	Number of 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, in this case being [•] Equity Shares for every a Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company
Rights Equity Shares	Up to [•] Issue Shares to be issued to the Eligible Equity Shareholders on rights basis.
Self - Certified Syndicate Banks / SCSB(s)	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34 and/ or such other links as may be prescribed by SEBI from time to time.
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2 (1) (III) of the SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai 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 Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional, General Terms and Abbreviations

Term	Description
₹ / Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012.
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Central Government or Government of India or GoI	Central Government of India
CIN	Corporate Identification Number
CIT (A)	Commissioner of Income Tax
CPC	Central Processing Centre
CrPC	Criminal Procedure Code
Companies Act	Companies Act, 2013 and the rules made thereunder
Covid 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant/DP	A Depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
Financial year / Fiscal / FY	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated

Fugitive Offender	Economic	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Foreign Investor / FPI	Portfolio	Foreign portfolio investor as defined under the SEBI FPI Regulations
FVCI		Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations		SEBI (Foreign Venture Capital Investors) Regulations, 2000
GDP		Gross Domestic Product
Government/Government of India / GoI		Government of India
GST		Goods and Services Tax
HUF		Hindu Undivided Family
ICAI		The Institute of Chartered Accountants of India
Ind AS		Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
ICD		Inter Corporate Deposits
ICL		Inter Corporate Loans
Insider Regulations	Trading	SEBI (Prohibition of Insider Trading) Regulations, 2015
ISIN		International Securities Identification Number allotted by depository
IT		Information technology
I.T. Act / IT Act		Income Tax Act, 1961
I. T. Rules		Income Tax Rules, 1962
Listing Agreements		The listing agreements entered into by our Company with BSE Limited
MAT		Minimum Alternate Tax
MCA		Ministry of Corporate Affairs, Government of India
MICR		Magnetic ink character recognition
Mutual Fund		Mutual Fund registered with SEBI under the SEBI Mutual Fund Regulations
NA / N.A.		Not Applicable
NACH		National Automated Clearing House which is a consolidated system of ECS
NAV		Net asset value
NCLT		National Company Law Tribunal
NCLAT		National Company Law Appellate Tribunal
NEFT		National Electronic Fund Transfer
NI Act		Negotiable Instruments Act, 1881
NSDL		National Securities Depositories Limited

NR / Non - Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non - Resident External Account
NRO Account	Non - Resident Ordinary Account
Net Worth	The aggregate value of the paid - up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write - back of depreciation and amalgamation
OCB / Overseas Corporate Body	The company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
P a	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	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, amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors Regulations, 2019, as amended

SEBI Rights Issue Circulars / Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
STT	Securities Transaction Tax
SMEs	Small and Micro Enterprises
State Government	Government of a state of India.
Stock Exchanges	Together, BSE and NSE
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
US	United States of America
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the SEBI ICDR Regulations, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Statement of Tax Benefits”, “Outstanding Litigations and Defaults” and “Financial Information” on pages 68, 197 and 108 respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the CAF, the EAF, the Rights Entitlement Letter, any other issue material and issue of the Issue Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the CAF, the EAF, or the Rights Entitlement Letter may come are required to inform themselves about, and observe, such restrictions. For details, see 'Restrictions on Foreign Ownership of Indian Securities' beginning on page 258.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and Eligible Employees and will dispatch the Letter of Offer, the Abridged Letter of Offer, the CAF, the EAF the Rights Entitlement Letter and any other issue material only to such Eligible Equity Shareholders and Eligible Employees who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address the Letter of Offer, the Abridged Letter of Offer, CAF/EAF (as the case may be), the Rights Entitlement Letter and other Issue material 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, the Abridged Letter of Offer, CAF/EAF (as the case may be), the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer, the Abridged Letter of Offer, the CAF and the EAF shall not be sent the Letter of Offer, the Abridged Letter of Offer and CAF/EAF.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders and Eligible Employees who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders and Eligible Employees 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 and Eligible Employees have not provided their e-mail address, then the Letter of Offer will be dispatched by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders and Eligible Employees who have provided their Indian address, on a reasonable effort basis.

Investors can also access this Letter of Offer, the Abridged Letter of Offer, the CAF and the EAF from the websites of our Company, the Registrar, the Lead Manager and the Stock Exchanges.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the CAF and the EAF.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer will be filed with the Stock Exchanges and SEBI. Accordingly, the Rights Entitlements or Rights Equity Shares or Employee Reservation Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer

or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of this Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and the Abridged Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to the Issue Shares and should not be copied, extracted or redistributed, in part or full. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Letter of Offer or the Abridged Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or the Abridged Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Issue Shares or the Rights Entitlements referred to in this Letter of Offer/Abridged Letter of Offer. Envelopes containing the CAF/EAF should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Issue Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Issue Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in 'Restrictions on Foreign Ownership of Indian Securities' beginning on page 258.

Our Company, the Registrar, the Lead Manager or any other person acting on behalf of us reserve the right to treat any CAF/EAF as invalid where we believe that such CAF/EAF is incomplete or acceptance of such CAF/EAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Issue Shares or Rights Entitlement in respect of any such CAF/EAF.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any CAF which:

- (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions;
- (ii) does not include the relevant certifications set out in the CAF, including to the effect that the person submitting and/or renouncing the CAF is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue;
or

- (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such CAF.

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

The contents of this 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 of Issue Shares or Rights Entitlement. As a result, each investor should consult its own counsel, business advisor and / or tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Issue Shares regarding the legality of an investment in the Issue Shares by such offeree or purchaser under any applicable laws or regulations.

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

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Issue Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (United States or U.S.) or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S under the Securities Act). The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Issue Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Issue Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer, the Abridged Letter of Offer, the CAF and the EAF 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 Issue 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, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF/EAF 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. No payments for subscribing to the Issue Shares shall be made from US bank

accounts and all persons subscribing to the Issue Shares in the Issue and wishing to hold such Issue Shares in registered form must provide an address for registration of these Issue Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer, the Abridged Letter of Offer, the CAF and the EAF will be dispatched only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements and the Issue Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of this the Letter of Offer, that, (i) it is not and that at the time of subscribing for such Issue Shares or acquiring the Rights Entitlements, it will not be, in the United States; (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States when the buy order is made; and (iii) it is authorised to acquire the Rights Entitlements and the Issue Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Issue 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) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Issue Shares or Rights Entitlement in respect of any such CAF. Our Company is informed that there is no objection to a United States shareholder selling its Rights Entitlements in India. However, Rights Entitlements may not be transferred or sold to any person 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 Issue Shares applied for do not exceed the applicable limits under laws or regulations.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Draft Letter of Offer are to the Republic of India 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.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Financial Statements for the financial year ended on March 31, 2022 and Limited Review Unaudited Financial Results for the six months period ended September 30, 2022. For further information, see “Financial Information” beginning from page 108.

We have prepared our Audited Financial Statements and Limited Review Unaudited Financial Results in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Regulation 33 of the SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

Non-Ind AS measures

Certain non-Ind AS financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share and Earnings before exceptional items, interest, tax, depreciation and amortization (“EBITDA”) have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by IndAS.

These are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS. Further, these measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP measures, are not standardised terms and have limited usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance

Market and Industry Data

Unless stated otherwise, market and industry data used in this Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or their respective affiliates and neither our Company, the Lead Manager, nor their respective affiliates make any representation as to the accuracy of such information. Accordingly, Investors should not place undue reliance on this information.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Letter of Offer in ‘lakh’ units. 1,00,000 represents one lakh and 10,00,000 represents ten lakh.

Exchange Rates

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 the respective foreign currencies:

Currency	Exchange Rate as on	
	September 30, 2022	March 31, 2022
1 US\$	81.5522	75.8071

(Source: www.fbil.org.in)

The price for the period end refers to the price as on the last trading day of the respective fiscal year.

Please Note:

One million is equal to 10,00,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh/lac is equal to 100 thousand; One crore is equal to 10 million/100 lakhs

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward - looking statements. Investors can generally identify forward - looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals 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 may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward - looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward - looking statements or other projections. All forward - looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward - looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward - looking statements include, among others:

- Our ability to successfully implement our strategy;
- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner;
- Any imitation of our brand, product solutions, or any reproduction of likenesses of our Products;
- Increasing competition in, and the conditions of, the Indian home products industry;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.
- Uncertainty due to Geo political factor globally.
- Uncertainty in relation to continuing effect of the COVID - 19 pandemic on our business and operations.
- Our ability to maintain and enhance our brand image;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations; and
- Market fluctuations and industry dynamics beyond our control.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 24, 84 and 186 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward - looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward - looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward - looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward - looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward - looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward - looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II – SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors.

This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Industry Overview”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages 24, 50, 57, 59, 84, 71, 197 and 215 respectively.

Summary of our Business

Our company was established in the year 1989 by its visionary promoter and managing director Shri J P Agarwal. The Company had started its business in the field of Granite mining and Granite Processing with gang saw and polishing machines at Udaipur, Rajasthan. Thereafter the Company had set up a new granite processing plant at Bangalore, Karnataka in the year 1995. Both the Udaipur and Bangalore units have been operating as a 100% Export Oriented Unit since inception. Further in 2019, company assessed change in the market scenario of shift from natural to manmade stones and thus diversified its business into manufacturing of engineered quartz. The diversification has helped the company to cater the needs of existing customers as well as helped in onboarding new customers. The major source of revenue continues to be sale of natural stones and man-made surfaces for the Company.

Our Company is currently engaged in the business of processing natural stones and manufacturing engineered quartz. Natural stones are produced by complex geological processes and include a number of products such as granite, limestone, marble, slate, quartzite, onyx, sandstone, travertine, and others that are quarried from the earth. Natural stones are widely known for their uniqueness, aesthetic appeal, texture, color, and composition as no two natural stones are the same. Engineered quartz on the other hand, is an example of engineered stone used in the countertop industry, which is a composite material made up of crushed stone bonded by an adhesive. For instance, for countertops, the slabs are made from quartz crystals bonded with a resin binder.

Objects of the Issue

The proposed utilization of Issue Proceeds is set forth below:

		<i>(in lakhs)</i>
Sr. No.	Particulars	Amount
1	Repayment of Unsecured Loan availed from the related party	2626.06
2	To meet working capital requirements of the Company	1173.94
3	General corporate purposes*	945.00
	Total Net proceeds#	4,800.00

**Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds*

Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, see “Objects of the Issue” on page 59.

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 28.02.2022 and 16.11.2022 (the “Subscription Letters”) indicated their intention to: subscribe, jointly and/ or to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company. Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

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.

Auditor Qualifications:

No reservations, qualifications and adverse remarks have been made by our statutory auditors in their reports which requires any adjustments to the Audited Financial Statements for Fiscal 2022 and the Unaudited Financial Results for the six months period ended September 30, 2022.

Summary of Outstanding Litigations and Defaults

A summary of outstanding legal proceedings involving our Company and Promoters as on the date of this Letter of Offer is set forth in the table below:

Outstanding Litigations

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Letter of Offer is provided below. For details of the material outstanding litigation proceedings including (i) criminal proceedings; (ii) material civil proceedings; (iii) actions taken by statutory or regulatory authorities; and (iv) claims related to direct taxes, please see “Outstanding Litigations and Defaults” on page 197.

Sr No	Outstanding Litigations	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
1.	Filed against our Company		
	Civil Law	3	Unascertainable
	Labour Law	2	Unascertainable
	Total	5	Unascertainable
2.	Filed by our Company		
	Civil Law	2	Unascertainable

3.	Litigation involving Tax Liabilities		
	Direct Tax	4	33,43,840/-
	Indirect Tax	13	9,90,80,676/-
	Total	17	10,24,24,516/-

The amounts mentioned above may be subject to additional Interest / penalties being levied by the concerned authorities for delay in making payment or otherwise. The amount of interest / penalties that may be levied is un-ascertainable as on date of this Letter of Offer. For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 197 of this Letter of Offer.

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 24 of this Letter of Offer

Contingent Liabilities

As of March 31, 2022, we have certain contingent liabilities that had not been provided for, as per Ind AS 37. Details of the same are mentioned in the section Financial Statements – "Note 38 Contingent Liabilities /Commitments, Contingent Assets and Pending Litigation Additional information to the financial statement" on page 162 of this Letter of Offer.

Related Party Transactions

For details of related party transactions of our Company, as per the requirements under Ind AS 24 'Related Party Disclosures' for FY ending March 31, 2022 please see Financial Statements - "Note 37: Related Party Disclosure" on page 158 of this Letter of Offer.

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

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of filing of this Letter of Offer.

SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. The risks described below together with other information contained in this Letter of Offer should be carefully considered by the prospective investors before making an investment decision. Prospective investors should carefully consider all the information contained in the section titled “Financial Information” on page 108 for the information related to the financial performance of our Company. The risks described in this section are those that we consider to be the most significant to our business, results of operations, financial condition, cash flows and prospects. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. If any or a combination of the following events occur, our business, results of operations, financial condition and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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 disclosed in the risk factors mentioned below. However, there are risk factors where the impact may 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 Pacific Industries Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

1. Tax proceedings under U.S. Department of Commerce of our Wholly owned Subsidiary Taanj Quartz Inc with respect to the Anti-Dumping Duty

The U.S. Department of Commerce (“Commerce”) has announced the preliminary results of its administrative review of quartz surfaces anti-dumping duty in July, 2022. The Commerce has preliminarily determined the anti-dumping duty during the period of review (POR) December 13, 2019, through May 31, 2021. The Commerce has preliminarily determined that the anti-dumping duty for Non-Selected Companies which is applicable on exports done by our Company during the period of review (POR) December 13, 2019, through May 31, 2021, is 161.56% payable by US Importer.

During the period of Review (POR) i.e December 13, 2019 to May 31, 2021, our Wholly Owned Foreign Subsidiary, Taanj Quartz Inc. has imported Quartz from India of USD 4,75,237. As per the preliminary determination the anti-dumping duty amounts to USD 7,67,792 out of which USD 7,62,945 will be additional amount which our Subsidiary is liable to deposit or adjust from bond (which already given to US Customers). The final determination of the matter is pending by Commerce.

The Administrative Review subsequent to May 31, 2021 have not been initiated / commenced and we are unable to comment on the effect / impact of such review.

Any adverse outcome by the Commerce in the aforesaid matter, may have major bearing on the export operations of the Company which is backbone of the entire operations of the Company..

2. Our export revenues are concentrated in the U.S, European Union, Middle East, Vietnam, Indonesia etc and Economic slowdown, adverse geopolitical factors and other factors that affect these regions may in turn affect our business.

We rely significantly on the export of our products to the U.S., European Union, Middle East, Vietnam, Indonesia etc and demand for Granite, Marbles and Quartz is huge in U.S. and European Countries. Accordingly, we are particularly prone to the overall health of the economy as well as any geopolitical factors especially current geopolitical scenario in neighboring country to the European Union.

The market in these regions may be affected by a number of factors outside our control, including local and economic conditions, changes in demand and supply for products comparable to those that we develop, and changes in Government regulations.

The concentration of exports to top 3 countries on standalone basis is as below:

Years	Top 3 Countries	% of total export of Marble and Granite	% of total export of Quartz
2021-22	Slovakia	15.09%	-
	Poland	12.80%	-
	USA	8.13%	100%
2020-21	USA	22%	100%
	Slovakia	10%	-
	Poland	8%	-
2019-20	USA	29%	100%
	Poland	15%	-
	Vietnam	7%	-

Any adverse geopolitical situation or a slowdown could adversely affect our business and results of operations including our ability to implement the business strategy.

3. **Our Company is involved in certain legal and other proceedings and there can be no assurance that our Company will be successful in any of these legal actions. In the event our Company are unsuccessful in any of the disputes, our business and results of operations may be adversely affected**

Our Company is party to certain legal proceedings and claims in relation to certain civil, and tax matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. A summary of such proceedings is set forth below.

Cases Pending Against our Company:

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Civil	Motor Vehicle, Mines & Minerals*	3	Not ascertainable
Labour	Industrial Disputes	2	Not ascertainable

**Details of certain matters are not available with the Company.*

Cases filed by our Company:

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Civil	Mines & Minerals (Development and Regulation) Act, 1957 *	2	Not ascertainable

*Details of certain matters are not available with the Company.

Litigation involving Tax Liabilities

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Direct Tax	Intimation under 143(1) & TDS Default	4	33,43,840/-
Indirect Tax	Customs and Excise	13	9,90,80,676/-

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management's time and attention, and consume financial resources in their defense or prosecution. Should any new developments arise or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 197 of this Draft Letter of Offer.

4. Our Company has certain contingent liabilities and profitability may be adversely affected if any of these contingent liabilities materialize

As of March 31, 2022 we have certain contingent liabilities that had not been provided for, as per IndAS 37. Details of the same areas under:

Sr. no.	Particulars
	Contingent liabilities: (Claims against the Company not acknowledged as debt)
1.	Demand Raised by the Central Excise Commissionerate of Rs.170.62 Lacs against which Rs.62.32 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending

2.	The Company has a total demand of Rs.78.39 lacs of Custom Duty out of which the company has deposited Rs.9.21 Lacs under protest against which the company has filed an appeal
Other Contingent Liabilities	
1.	Show cause notice received from excise authorities of Rs.1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.
2.	Show Cause notice received from excise authorities of Rs.4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However, no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account
3.	Show Cause Notice Received From Custom Authorities of RS 9.29 Lacs of Custom Duty under the Provision of Custom Act 1962 imposed on Ground of Wrongly Availing of Custom duty Benefits (Duty Forgone) on Saw Blades and Steel Grits imported /procured under concessional rate of duty during Period of July 2016 to June 2017.However, no demand has been received from the custom authorities against the same and based on Legal opinion obtained, the company does not expect any liabilities on this account.

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see section “Financial Information –Note 38” on page 162.

5. Our business is dependent on the sale of our products to our certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on a limited number of key customers for a significant portion of our revenues. For the Six month’s period ended September 30, 2022, Financial Years ended March 31, 2022 and 2021 our top five customers have contributed more than 60% of our total revenue from operations. Further, most of the business that we conduct with our significant customers is through purchase orders that are placed from time to time. We do not typically have exclusivity arrangements with our customers, including our key customers.

The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting or the economic environment generally, such as the COVID-19 pandemic, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our key customers.

6. A significant portion of our purchases is concentrated amongst a limited number of suppliers, with whom our Company have not entered into long-term contracts.

Our Company depend on a limited number of suppliers for a sizeable portion of our purchases of raw materials. For the Six month's period ended September 30, 2022, Financial Years ended March 31, 2022 and 2021 our top five suppliers from whom the purchases were made have contributed more than 58.44% of our total purchases. Further, most of the business purchases are through purchase orders that are placed from time to time. We do not typically have exclusivity arrangements with our suppliers.

Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Any supply constraints or upward price movement by the above suppliers may have a material adverse effect on our business, prospects, results of operations and financial condition.

7. Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as international government policies and regulatory sanctions.

We seek to source our raw materials from domestic and international market. We do not have long - term contracts with our suppliers. We typically purchase raw materials on a purchase order basis. Consequently, we may be required to regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices. The absence of long - term supplier contracts subjects us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Further, we cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. Our suppliers may also be unable to provide us with sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. While, we typically sell our products to our customers on a purchase order basis, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. We are also subject

to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

If we are unable to purchase the raw materials from such suppliers for any reason including due to cessation of operations by such suppliers, disputes with such suppliers, or if there is a substantial increase in the prices charged by such suppliers, there can be no assurance that we

will be able to identify alternative suppliers for our raw materials at similar cost and other terms of purchase. Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial condition.

8. Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition

Our manufacturing facilities are subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock - outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence.

Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock- outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations during such period. The occurrence of any such incidents could also result in a destruction of certain assets and adversely affect our results of operations. In particular, due to the COVID-19 pandemic, operations at our manufacturing facility were temporary suspended in the month of April 2020 owing to the lockdown imposed by the Government, and we subsequently resumed operations in a phased manner in May 2020. Further, in the first quarter of Fiscal 2022 there were market disruptions due to restrictions imposed by state governments on account of COVID-19. Our customers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our customer relationships, business, financial condition, results of operations and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

- 9. We are heavily dependent on machinery for our operations. We have not entered into technical support service agreements for the maintenance and smooth functioning of our machineries. Any break-down of our machinery will have a significant impact on our business, prospects, results of operations and financial condition.**

Our existing facilities of Granite, Marbles and Quartz are heavily dependent on plant and machinery. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Although our Company has accessibility to avail the technical support from the external experts and the machinery suppliers locally, any failure to quickly redress any technical issue, may increase our downtime which may affect our business, prospects, results of operations and financial condition. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to repair the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our business, results of operations and financial condition.

- 10. Company has incorporated wholly owned subsidiary in United States of America (USA) and legal due diligence for the same has not been carried out from external agency.**

Our Company has floated a wholly owned subsidiary in USA for the purpose of Catering the Domestic customers of USA, who are not willing to import products from India. We have not carried out any separate due diligence of such wholly owned subsidiary from external agency and relied on Management representations.

Any adversities may affect the reputation of our Company and also might entails additional costs too.

- 11. If we fail to keep pace with advancements in technology in the existing Marble and Granite Industry as well as in Quartz Industry or respond to changes in market demand or client requirements, our business and financial condition could be adversely affected.**

The marble and granite industry as well as quartz industry is characterized by frequent advancements in technology. To meet our clients' needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our manufacturing activities. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and / or write-downs of assets.

Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business and financial condition.

- 12. If our Company is unable to respond effectively to competition, our business and financial condition may be adversely affected. We operate in a competitive business environment, both globally and domestically. If our Company is unable to respond effectively to competition, our business, prospects, results of operations and financial condition may be adversely affected.**

We operate in a competitive business environment. The marble and granite as well as quartz industry in which our company is operating is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both Governments and bilateral treaties and arrangements and consolidation of resources by industry players. Growing competition may subject us to pricing pressure and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins.

Further, several of our competitors are larger international and national companies and have access to great resources, wider geographical reach, broader product range so may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Further, they may succeed in developing products that are more effective, more popular or cheaper than our products. Any of these factors may have a material adverse effect on our business, prospects, results of operations and financial condition.

- 13. Any increase in Freight & Forwarding charges and non-availability of containers may adversely affect our operations and may put pressure on margins**

We are heavily dependent on Exports and any increase in freight and forwarding charges will have direct impact on the volume of sales and / or margins which might affect the profitability of the Company. Similarly, non-availability or shortage of containers for exports will add to the margin pressure which will have overall bearings on the performance of the Company.

We have faced significant disruptions due to increase in Freight & Forwarding charges and non-availability of containers in recent times due to the COVID-19 pandemic which has severely affected our ability to export and we cannot assure you that same will be normalised in near future.

- 14. Our Company has a geographical disadvantage due to non-proximity to ports and thereby reduces our cost competitiveness.**

Presently we are operating our business from our existing facilities located at Udaipur, Rajasthan. As Udaipur is located in the northern region of India, it does not have any proximity to ports. Therefore, our Company has to rely on ports located near cities such as Mundra, Gujarat for export of our finished goods. Due to this, our Company lead-time of exports from India ranges from 3 days to 10 days. This might make our Company less competitive as compared to other competitors who are geographically placed near to ports.

15. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and collection of receivables post sales to customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements as well as extend credit period to customers as per the industry practise, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and

securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

16. Our Company had voluntarily applied to the Board for Industrial and Financial Reconstruction (BIFR) for being categorised as sick on 16.02.2000 which got rejected and then once again applied on 22.02.2002.

Our Company's product suffered demand recession as such consumption of marble and granite had reduced which ultimately affected the Company's capacity utilisation. Additionally, the long term loans from IFCI and IDBI as well as from other financial companies were having high finance cost compared to the borrowings by other competitors and this also resulted into financial stress on the Company.

Also, our Company has acquired certain mining areas to overcome the dependence over raw material on other mining companies and incurred heavy cost. However, our Company could not generate expected yield and the expenditure on acquiring mining area costed financials of the Company and consequently applied to BIFR on 16.02.2000 which got rejected and then the Company had once again made an application on 22.02.2002.

Subsequently, the financial performance of our Company improved and with that result, our Company came out of the distress and One Time Settlement was done with the Banks and application to BIFR was withdrawn vide letter dated March 02, 2005.

However, we cannot provide any assurance that our Company may maintain profits in future and such instances will not arise at all.

17. We currently avail benefits under certain export promotion schemes. Any failure in meeting the obligations under such schemes, may result in adversely affecting our business operations and our financial condition.

We currently avail benefits under certain export promotion schemes, namely, Export Promotion Capital Goods (“EPCG”) license. As per the licensing requirement under the said scheme, we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As of September 30, 2022, our pending obligations against EPCG License is NIL. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business and financial condition.

18. Our Statutory Auditors have qualified their reports as well as included certain matters of emphasis in our Financial Statements for the financial year ended March 31, 2020.

The auditor’s report to the Financial Statements for the year ended March 31, 2020 includes a qualification as well as matter of emphasis referring to a note in the financial statements which is as follows:

Note on qualified opinion

“Refer Note No. 38 of Notes on Standalone Ind AS Financial Statements regarding confirmation and reconciliation of various Debit and Credit balances appearing under various heads and non-provision of exchange fluctuation w.r.t certain old balances. Final reconciliations/confirmations of the same may affect our disclosure.”

Debit & Credit Balances appearing under Sundry Debtors, Loans & Advances, Unsecured Loans, Sundry Creditors are subject to confirmation & reconciliation. Adjustment, if any, in these accounts will be made as & when finally reconciled & confirmed. Trade Receivables & Trade Payables have been taken at their book value after making necessary adjustment on account of foreign exchange fluctuation except in case of some old balances lying in account.

Note on matter of emphasis

“We invite attention to Note No. 43 to the financial statements regarding uncertainties associated with the Covid-19 Pandemic and impact assessment made by the Company on its business and financial statements for the year ended March 31, 2020, the said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.”

Covid-19 pandemic was rapidly spreading throughout the world, including India during the year 2020 and 2021. Government in India had taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company’s mining, Factory & other activities had to be closed down for some period of time however with the phased easing of restrictions the activities of the Company has resumed.

Management believes that it has assessed all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realisable values of other assets and in the opinion of the management no significant impact of the same is there on the above matters.

However, given the effect of these lockdowns on the overall economic activity the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

There can be no assurance that any similar qualified opinion as well as matters of emphasis or remarks will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such remarks or matters of emphasis in the auditors’ report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

19. Demand / Business for Marble and Granite is substantially reduced

Our company has experienced steady decline in demand for Marble and Granite over last three years and we cannot guarantee about the trend reversal and continued decline in its demand might effect the overall financial performance of the Company. The bifurcation of sales of last three years of Marble and Granite are tabulated below:

(in Lakhs)

Sales	Marble & granite				
	Year	Export	Decline (%)	Domestic	Decline (%)
	2021-22	3,154.28	-4.21%	762.47	-17.34%

2020-21	3,026.71	27%	649.82	44%
2019-20	4,156.68	20%	1,162.37	14%

20. Demand for our Quartz Slabs is closely tied to the levels of residential and non- residential construction activity in India and outside India.

Demand for Quartz Slabs are closely tied to the levels of residential and non- residential construction activity in India and outside India. Any reduction in the activity in one or both of these markets could have a material adverse effect on our business, results of operations and financial condition.

21. Under-utilisation of our production capacity may adversely impact our financial performance.

The plant at Udaipur was running at 50% of installed capacity for the Six months period ended September 30, 2022 and financial year ended March 31, 2022 for the purpose of production and export of granite slabs and 100% of installed capacity for the Six months period ended September

30, 2022 and financial year ended March 31, 2022 for the purpose of production of Quartz slabs. The third line of Quartz unit has been installed anticipating huge demand for super jumbo slabs and in the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic and geopolitical scenario, change in demand or change in technology or non-acceptability of the product in the market for any other reason, our capacities may not be fully utilised thereby adversely impacting our financial performance.

22. We face competition from substitutes for Quartz Slab and if consumers' preferences for any of these substitutes increases it could lead to a reduction in the demand for our product, which could have a material adverse effect on our business, financial condition and results of operations.

In addition to competition from players in the marbles and granite industry, we also face competition from substitutes for Quartz Slabs from Italian Marbles and other allied products.

Increases in consumers' preferences for the substitutes could lead to a reduction in the demand for our product, which could have a material adverse effect on our business, financial condition and results of operations.

23. We operate in a highly fragmented and competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

We operate in a highly competitive industry, comprises of large number of organized and unorganized players Increased competition from other organized and unorganized players may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

Our success depends on our ability to anticipate, understand and address the preferences of our existing and prospective clients as well as to understand evolving industry trends and our failure to adequately do so could adversely affect our business. Other factors that could affect our ability to maintain our levels of revenues and profitability include the development of an operational model similar or superior to ours by a competitor. Our inability to compete effectively could affect our ability to retain our existing clients or attract new clients which may in turn materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

24. Our company had explored an opportunity of trading in Iron Ore in the F.Y. 2021-2020 and earned certain profits from it. Company may continue to do so in future.

Our Company had sensed the opportunity in iron ore trading which is not core business and also generated reasonable profits out of the same. We may continue to trade in Iron Ore in future. We however cannot guarantee of continued profits and it may result into loss since its non-core area for the Company.

25. Our Company may be subject to industrial unrest, slowdowns and increased labour costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation

that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, workers also have a right to establish trade unions. The Company had recently experienced the labour unrest at Bangalore Unit while closure of Bangalore Unit. Although there was no such incidence in Udaipur unit until now, we cannot assure you that there will be no labour unrest in the future at Udaipur Unit.

As at September 30, 2022, our Company had approximately 180 full-time employees. While our Company believes that it maintains good relationships with the employees, there can be no assurance that we will not experience disruptions to our operations in the future due to disputes or issues with our contractors or employees. In the event there are any unrest with labour unions and conflicts with the same, or if our Company experiences unrest or slowdowns, it may become difficult for our Company to maintain flexible labour policies, all of which may materially and adversely impact our business, prospects, results of operations and financial condition.

26. Our operations are subject to environmental, workers' health and safety and employee laws and regulations.

We have made and will continue to make capital and other expenditure to comply with environmental, health and safety standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines.

Additionally, we cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

Any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. The loss or shutdown of our operations over an extended period of time could have an adverse effect on our business and operations.

- 27. Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.**

Our Company depends on the management skills and guidance of our Promoter and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our employees have been associated with our Company since a long period of time and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to

such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled “Our Management” beginning on page 101 of this Draft Letter of Offer.

- 28. We are subject to risks arising from exchange rate fluctuations, which could adversely affect the financial results of our Company.**

Uncertainties in the global financial markets may have an adverse impact on the exchange rate between INR and other currencies. The exchange rate between INR and other currencies are variable and may continue to remain volatile in the future depending upon the foreign exchange reserve position of India.

Fluctuations in the exchange rates may have a serious impact on the revenues from our export business as a significant portion of our revenue comes from exports. The Company has not entered into any derivative instrument in order to hedge its foreign currency risks. Any appreciation of the INR against other currencies may lead to reduction in the realization of our revenues. Accordingly, volatility in the exchange rate would adversely affect the financial results of our Company.

The following table denotes the Standalone financial exposure of our Company

(Rs. in Lakhs)

Financial Exposure	September 30, 2022	March 31, 2022	March 31, 2021
Financial liabilities:			
USD Converted in Rupee	3206.16	3,550.48	3,446.98
EURO Converted in Rupee	197.77	318.90
Net exposure	3206.16	3748.24	3,765.88

29. Our Company is subject to risks arising from interest rate fluctuations, which could adversely affect the financial results of our Company.

As on September 30, 2022, our Company has outstanding long term borrowings of INR 8888.78 Lakhs (including current maturity amount) as well as working capital borrowings of INR 4079.46 Lakh from HDFC Bank Limited and vehicle loan outstanding of INR 374.75 lakhs from Axis Bank Limited and HDFC Bank Limited. Any increase in the interest rates could significantly raise the costs of borrowing adversely affecting the financial results of our Company.

30. Our Company has availed unsecured loans from our Directors, Promoters, their relatives and intercorporate loan that is repayable on demand, which if recalled may have an adverse effect on our business, prospects, the result of our business operations and financial condition.

Our Company has availed unsecured loans aggregating to INR 6256.50 Lakh, as of September 30, 2022, from our Directors, Promoters, their relatives and inter corporate loan that is repayable on demand, which if recalled may have an adverse effect on our business, prospects, the result of our business operations and financial condition. In the event that such loans are recalled by any of our Directors or other lenders, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. Such a scenario may adversely affect our business, prospects, the result of our business operations and financial condition. For further details please refer the section titled “Financial Information” beginning on page 108 of this Letter of Offer.

31. In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.

As on September 30, 2022, our Company’s total fund – based indebtedness (Secured + Unsecured) is INR 13342.99 lakhs.

In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt – equity ratio

and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under – budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled – “Financial Statement” beginning on page 108 of this Letter of Offer.

32. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as natural disasters. Presently, we have obtained certain insurance policies. The said policies insure stock, building, furniture, fittings, from earthquake, fire, shock, terrorism, etc. There are many events that could cause significant damages to our operations, or expose us to third - party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed.

Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

33. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.

As the issue size shall be less than ₹ 10,000 lakhs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency.

Our Board of Directors will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013.

Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

For further details, please refer to the chapter titled – “Objects of the Issue” beginning on page 59 of this Letter of Offer.

34. We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “Industry Overview” of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

35. Our Company may not be successful in implementing its strategies, including developing technologically advanced products and increasing exports and expanding international operations, which could adversely affect our business, results of operations and future prospects

The success of our business depends largely on our ability to effectively implement our business strategies. Successful execution of our business strategies in the past may not be an assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of our customers.

We expect our strategies to place significant demands on our management and other resources. Our strategy of increasing capacity in our existing product portfolio may require substantial capital expenditure, which may necessitate incurring further indebtedness. Further, while we intend to capitalise on unutilised capacity at our manufacturing facilities to increase production of our current portfolio, there may not be a corresponding increase in the demand for such products. In addition, while we continue to pursue partnership opportunities and possibilities for inorganic growth, we may not be able to successfully integrate such partners and acquired entities into our business.

In order to achieve future growth, we may be required to develop new products, identify diverse customer base, accurately assess new markets, obtain sufficient financing for our expected capital expenditures, contain our input cost and fixed costs, maintain sufficient operational and financial

controls and make additional capital investments to take advantage of anticipated market conditions.

We may not be able to achieve growth in revenues and profits or maintain such rate of growth in the future. If we are unable to execute or manage our strategies effectively, our business and financial results will be adversely affected. Also, see chapter “Our Business” consisting of “Our key strategies” beginning on page 84.

36. Damage to our brand and reputation or any of our customers’ brand and reputation could have a material adverse effect on our results of operations.

Our business depends to a significant extent on our customers’ trust in our brand and associated reputation as a reliable supplier, as well as in our ability to support our customers geographically and in our ability to meet our customers’ key performance targets. Our products are subject to limited warranty claims. We cannot assure you that we will be successful in maintaining or reducing the historical level of warranty claims or that claims in relation to our products will not increase significantly. Actual or alleged instances of inferior product quality or of damage caused or allegedly caused by our products including our aftermarket products, could damage our reputation and brand and could lead to new or existing customers becoming less willing to conduct business with us. In addition, events or allegations of malfunctioning products could lead to legal claims against us, and we could incur substantial legal fees and other costs in defending such legal claim. The materialization of any of these risks, alone or in combination, could damage our reputation and could have a material adverse effect on our business, financial condition and results of operation.

37. We have, in the past, entered into certain transactions with related parties and may continue to do so in the future

Any related party transactions that are not on an arm’s length basis may adversely affect our business, results of operation and financial condition. We have, in the past, entered into certain transactions with related parties and may continue to do so in the future.

For further details, see “Financial Statements” on page 108. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we would not have achieved more favourable commercial terms had such transactions not been entered into with related parties. Further, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

38. Our Promoters and Executive Directors have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative arrangements, guarantees, repayments of amounts due or termination of the facilities.

Our Executive Directors Mr. Jagdish Prasad Agarwal and Mr. Kapil Agarwal have provided personal guarantees to the extent of Rs.7,900 Lakhs as on September 30, 2022 in relation to

certain loan facilities availed by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

We may not be successful in procuring alternative guarantees satisfactory to the lenders and as result may need to repay outstanding under such facilities or seek additional source of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial conditions.

39. Certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company.

There can be no assurance that our directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "Related Party Transactions" and "Our Management" on pages 158 And 101 respectively.

40. Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations.

As on the date of this Letter of Offer, we have 1 trademark Registered under the provisions of the Trade Marks Act, 1999 and have applied for one more trade mark. We cannot assure that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected.

We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and a favourable outcome cannot be guaranteed.

We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property.

41. Our Director and Promoter is party to certain litigations, the outcome of which could adversely affect the reputation of the Company

Notices & Appeals pending before Tax authorities are as under :

Category	Type of Cases	Number of Matters	Financial implications to the extent quantifiable (Rs. in lakhs)
Jagdish Prasad Agarwal			
Income Tax	Interest vide demand reference no.2019201040402224415T	1	1,45,480/-
Mrs. Geeta Agarwal			
CPC	Section 143(3)	1	Demand of 5,45,554/- Interest of 16,365/-

There can be no assurance that the above case may be decided in favour of our Director and Promoter or that no further liability will arise out of the above proceedings and consequently it may divert the attention of our Director and Promoter and waste our corporate resources. If such claims are decided against our Director and Promoter it may suffer damage to our reputation, business which would adversely affect the trading price of our equity shares.

For further details regarding these legal proceedings, please refer to chapter titled 'Outstanding Litigations and Defaults' on page 197 of this Draft Letter of Offer

42. As on the date of this Letter of Offer, no investor complaints outstanding on SCORES.

As on the date of this Letter of Offer, the investor complaints outstanding on SCORES is NIL. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES.

43. We are unable to trace certain corporate records pertaining to the build-up of Equity Shares and are unable to trace certain secretarial records pertaining to past years. We cannot assure you that our Company will not be subjected to any liability on account of such discrepancies.

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Our Company is unable to trace certain secretarial forms viz. Form 32 for appointment of First Directors and Form 5 relating to the increase in share capital of the Company pertaining to F.Y. 1989-90, 1990-91, 1991-92, 1993-94 and 1994-95. While our Company believes that the secretarial forms were duly filed, and submitted to ROC. We have been unable to locate copies of these documents in our records or obtain copies of the same from the appropriate authorities. We cannot assure you that these documents will be available in

the future or that we will not be subject to any penalties imposed by the competent authority in connection with these documents. As we continue to grow, there can be no assurance that such deficiencies in our internal controls will not arise, giving rise to recurrences of such discrepancies / errors that could subject our Company to the applicable consequences under the Companies Act, which could adversely affect our business and reputation.

44. Our Company was suspended by BSE Limited on 07.01.2002 and the suspension was revoked on May 25, 2009

Our Company was suspended from trading on BSE Limited vide notice dated 04.02.2002 due to Non Compliance of Listing Agreement Clause No.38 for payment of Annual Listing Fees to the Stock Exchange.

The Company had paid Rs.2,80,000 for revocation of suspension and the suspension was revoked vide Notice dated May19, 2009. We cannot assure that the Company shall not be suspended in future for any such non compliances with the SEBI (LODR), 2015 as amended from time to time, erstwhile Listing Agreement.

ISSUE SPECIFIC RISKS

45. Any future issuance of Equity Shares, or convertible securities or other equity - linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute 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. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

46. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may

not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

47. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only and the physical shareholders will not have the option of getting the allotment of Rights Equity Shares in physical form. Accordingly, the Rights Entitlements of the physical shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The physical shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the physical shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Further, 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).

48. Applicants to the Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such

events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

49. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

50. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

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 and January 19, 2021 and April 22, 2021, 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" beginning on page 215 of this Letter of Offer. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised 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.

EXTERNAL RISK FACTORS

51. You 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. 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.

52. The impact of the COVID - 19 pandemic on our business and operations is uncertain and cannot be predicted

The World Health Organization declared the 2019 novel coronavirus (“COVID - 19”) outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures to control the spread of COVID- 19, including quarantines, shelter in-place orders, closure of schools, travel restrictions, and closure of non-essential businesses. The COVID - 19 pandemic has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID - 19.

While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.

The Spread of Second Wave of Coronavirus in the month of April and May 2021 was most devastating and millions of people of India were under its net. There was complete chaos and millions of persons were affected due to shortage of Oxygen and ICU Beds that had led to more impact on the business and commercial activities in India. Many States in India imposed Strict lockdowns. Any further wave of Coronavirus in the country will affect our sales and profitability.

The impact of the COVID - 19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated.

Adverse consequences of, and conditions resulting from the COVID - 19 may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID19 outbreak has subsided.

SECTION IV – INTRODUCTION THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on January 20, 2022 and pursuant to Section 62(1)(a) of the Companies Act and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at its meeting held on [•].

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “Terms of the Issue” on page 215 of this Letter of Offer.

SUMMARY OF THE ISSUE

Equity Shares proposed to be issued	[•]
Rights Entitlements	[•]
Record Date	[•]
Face value per Equity Share	₹10
Issue Price per Rights Equity Share	₹ [•]
Issue Size	Up to ₹ 4,800 lakhs* *Assuming full subscription
Equity Shares issued and subscribed prior to the Issue	34,46,325 equity shares of ₹10 each
Equity Shares paid up prior to the Issue	34,46,325 equity shares of ₹10 each
Equity Shares issued and subscribed after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•]
Equity Shares paid - up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•]
Security Codes	ISIN: INE883C01025 BSE: 523483 ISIN for Rights Entitlements: [•]
Use of Issue Proceeds	For details, see “Objects of the Issue” on Page 59
Terms of the Issue	For details, see “Terms of the Issue” on Page 215
Terms of Payment	The full amount of the Issue Price being ` [•] will be payable on application

GENERAL INFORMATION

Our Company was incorporated as “Pacific Granites Limited” on July 13, 1989, as a public limited company under the Companies Act, 1956, registered with the Registrar of Companies, Jaipur, Rajasthan. The name of our Company was changed to “Pacific Industries Limited” pursuant to which a fresh certificate of incorporation was issued on November 25, 1994. The registered office of our Company was shifted from the state of Rajasthan to the state of Karnataka pursuant to the order passed by the Hon’ble Company Law Board, New Delhi Bench on November 30, 2011.

Our Company registered with the Registrar of Company, Bangalore, Karnataka which is situated at the following address:

REGISTERED OFFICE OF OUR COMPANY

Pacific Industries Limited

Survey No.13, N.H.48, Kempalinganhalli,
 Nelamangala Taluka, Bangalore 562 123, Karnataka, India

Tel: 080 7723004

Fax: 080 7723005

Website: www.pacificindustriesltd.com

Email: pilnorth@pacificgranites.com; pacificindustries@rediffmail.com

Corporate Identification No.: L14101KA1989PLC062041

CORPORATE OFFICE OF OUR COMPANY

Pacific Industries Limited

Village Bedla P.O. Box 119 Udaipur 313001 (Rajasthan)

Tel: 02942440196/2440388/2440933/2440934

Fax: 0294 2440780

ADDRESS OF THE REGISTRAR OF COMPANIES

The Registrar of Companies, Karnataka

E, Wing, 2nd Floor, Kendnya Sadan, Kormangala, Bangalore, Karnataka 560 034

BOARD OF DIRECTORS

Our Board comprises of:

Name Occupation	Designation and	DIN	Address
Mr. Jagdish Prasad Agarwal Chairman and Managing Director Occupation: Service		00386183	19 - C, Old Fatehpura Udaipur 313001, Rajashthan, India
Mr. Kapil Agarwal Director & Chief Financial Officer Occupation: Service		00386298	19 - C, Old Fatehpura, Udaipur 313 001, Rajashthan, India

Mrs. Geetadevi Jagdish Agarwal Non-Executive Director Occupation: Business	00386331	19 - C, Old Fatehpura Udaipur – 313 001, Rajasthan, India
Mr. Vinod Choudhary Non-Executive Independent Director Occupation: Business	03390324	Ashirwad Complex, 3rd Floor, Flat No. 306, Dadda Dham Colony, Jhijhri Katni - Jabalpur Road, Kachhjiwan, Katni 483501 (MP)
Mr. Pradeep Kumar Jain Non-Executive Independent Director Occupation: Service	08303628	K-5, Gold Leaf Colony, Kota Bawari, Bhuwana, Udaipur 313 001
Mrs. Neelam Tater Additional Non-Executive Independent Director Occupation: Service	07653773	808, Ambesh Textile, Bus Stand Road Kunwaria, Rajsamand, Rajasthan 313327

BRIEF PROFILE OF THE BOARD OF DIRECTORS

Please see “Our Management” on page 101 of this Draft Letter of Offer.

COMPANY SECRETARY & COMPLIANCE OFFICER	LEGAL ADVISORS TO THE ISSUE
MR. SACHIN SHAH Village Sapetia, Brahmano Ka Guda, Bedla, Udaipur 313 004, (Rajasthan) Tel: +02942440196 Email: companysecretary@pacificindustriesltd.com pacificinvestor@rediffmail.com	CHIRAMRIT LEGAL LLP 6 th Floor, ‘Unique Destination’, Opp. Times of India, Tonk Road, Gautam Nagar, Gandhi Nagar, Jaipur, Rajasthan 302 015 Tel: +91 141 4044500 Fax: +91 141 4044522 E-mail: harsha@chiramritlaw.com Contact Person: Advocate Harsha Totuka
LEAD MANAGER TO THE ISSUE	STATUTORY AUDITORS OF OUR COMPANY
SRUJAN ALPHA CAPITAL ADVISORS LLP Reg. Office :112A, 1st floor, Arun Bazar, S.V. Road, Beside Bank of India, Malad (West), Mumbai 400 064 Corp Office: 824/825, Corporate Avenue, Sonawala Road, Goregaon (East), Mumbai 400 063 Tel : +91 22 40167322 E-mail : pil.rightsissue@srujanalpha.com Website : www.srujanalpha.com Contact Person: Mr.Jinesh Doshi SEBI Registration Number: INM000012829	RAVI SHARMA & CO. CHARTERED ACCOUNTANTS 3580, Moti Singh Bhomiyan Ka Rasta, 4th Crossing, Johari Bazar, Bohraji Ka Darwaja, Jaipur 302 003 Tel: +91 9351258175 Firm Registration No: 015143C Email: caparasbhatia@gmail.com Contact Person: Mr. Paras Bhatia Peer Review Certificate No.: 014089

REGISTRAR TO THE ISSUE	BANKERS TO THE ISSUE
LINK IN TIME INDIA PRIVATE LIMITED C-101, First Floor, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Email: pacific.rights@linkintime.co.in Investor grievance email: pacific.rights@linkintime.co.in Contact Person: Mr. Sumeet Deshpande Website : www.linkintime.co.in SEBI Registration Number: INR000004058	FIG - OPS Department, HDFC Bank Limited Lodha - I Think Techno Campus, O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai - 400042 Contact Person - Neerav Desai/ Eric Bacha/ Siddharth Jadhav / Sachin Gawade / Tushar Gavankar Phone: +91 022-30752914 / 28 / 29 Email ID – siddharth.jadhav@hdfcbank.com , sachin.gawade@hdfcbank.com , neerav.desai@hdfcbank.com , eric.bacha@hdfcbank.com , tushar.gavankar@hdfcbank.com
BANKERS TO OUR COMPANY	
HDFC Bank Limited 358, Post Office Road, Chetak Circle, Udaipur-313 001. Contact Person: Anuj Dalal Phone: +91 9828165444 Email ID: anuj.dalal@hdfcbank.com Website: www.hdfcbank.com	

Investor Grievances

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre - Issue or post - Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, 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, 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. For details on the ASBA process, see “Terms of the Issue” on page 215.

SELF - CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time.

Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

For further details on the ASBA process, please refer to details given in ASBA form and also see “Terms of the Issue” on page 215 of this Letter of Offer.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre - Issue or post - Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (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 of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” beginning on page 215.

ALLOCATION OF RESPONSIBILITIES

Since Srujan Alpha Capital Advisor LLP is the sole Lead Manager to the Issue, and all the responsibilities pertaining to co-ordination and other activities, in relation to the Issue, shall be performed by them.

CREDIT RATING

This being a Rights Issue of Equity Shares, no credit rating is required.

DEBENTURE TRUSTEE

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

MONITORING AGENCY

Since the size of the Issue is less than INR 10,000 Lakhs, our Company is not required to appoint a monitoring agency in relation to this Issue.

APPRAISING AGENCY

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

UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

EXPERTS

Our Company has received a written consent from M/s. Ravi Sharma & Company, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in respect of their report dated 01.12.2022 on the ‘Statement of Possible Special Tax Benefits’ included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. However, they should not be construed as “expert” as defined under U.S. Securities Act, 1933.

MINIMUM SUBSCRIPTION

The objects of the Issue involve repayment of existing debt, general corporate purposes and working capital requirements. Further, our Promoters have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue. Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

FILING

SEBI (ICDR) (Fourth Amendment) Regulations, 2020 has granted certain relaxations with respect to Rights Issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the Rights Issue size for filing of the Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from Ten crores to Fifty crores.

Since the size of this Issue falls under the threshold, the Letter of Offer had been filed with the Stock Exchange and submitted with SEBI for information and dissemination.

ISSUE SCHEDULE

Issue Opening Date	[•]
Issue Closing Date	[•]

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 the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

For further details, please see the chapter titled “Terms of the Issue” beginning on page 215.

STATEMENT OF RESPONSIBILITIES OF LEAD MANAGER TO THE ISSUE

Srujan Alpha Capital Advisors LLP is the sole Lead Manager to the Issue and it shall perform all the responsibilities pertaining to co-ordination and other activities in relation to the Issue including the following:

Sr. No.	Activity / Responsibilities
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.
2.	Drafting, design and distribution of the Abridged Letter of Offer, Letter of Offer, Application Form, Rights Entitlement intimation, etc. The Lead Manager shall ensure compliance with the SEBI ICDR Regulations, the SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Selection of various agencies connected with the Issue and finalizing the agreements, namely Registrar Agreement, Banker to the Issue Agreement and coordination of execution of related agreements and advertisement agencies.
4.	Assist drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, corporate films, etc.
5.	Submission of 1% security deposit, co-ordination with Stock Exchanges and formalities for use of online software, bidding terminal, mock trading etc.
6.	Formulating marketing strategy which will cover, <i>inter alia</i> , distribution of publicity and Issue materials including application form, brochure and the Letter of Offer.
7.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Banker to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Banker to the Issue, SCSBs, etc., and release of 1% security deposit, if any.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid – up share capital after the Issue, are set forth below:

(in lakhs, except share data)

No	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A	Authorized Share Capital		
	2,50,00,000 Equity Shares of ₹ 10 each	2500.00	[•]
B	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	34,46,325 Equity Shares of ₹10 each	344.63	[•]
C	Present Issue in terms of this Letter of Offer¹		
	Up to [•] Equity Shares, each at a premium of ₹ [•] per Equity Share, i.e., at a price of ₹ [•] per Equity Share	[•]	[•]
D	Issued, Subscribed and Paid-Up Share Capital after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[•]	[•]
	[•] Equity Shares of face value of ₹ 10 each	[•]	[•]
E	Securities Premium Account		
	Before the Issue	[•]	[•]
	After the Issue ²	[•]	[•]

¹ The Issue has been authorised by the Board of Directors of our Company under Section 62 and other provisions of the Companies Act, 2013 at their meeting held on 20.01.2022.

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

Notes to the Capital Structure

1. Details of the outstanding instruments:
As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with option to convert or securities which are convertible at a later date into Equity Shares.
2. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:
 - (i) The shareholding pattern of our Company, as on September 30, 2022, can be accessed on the website of the BSE here <https://www.bseindia.com/stock-share-price/pacific-industries-ltd/pacifici/523483/shareholding-pattern/>

- (ii) The statement showing holding of Equity Shares of persons belonging to the category “Promoters and Promoter Group” including the details of lock - in, pledge of and encumbrance thereon, as on September 30, 2022 , can be accessed on the website of the <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=523483&qtrid=115.00&QtrName=September%202022>
 - (iii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2022, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE here <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=523483&qtrid=115.00&QtrName=September%202022>
 - (iv) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Non Promoter- Non Public shareholder” of our Company as on September 30, 2022, can be accessed on the website of the BSE here <https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=523483&qtrid=115.00&QtrName=September%202022>
3. As on the date of this draft Letter of Offer, there are no specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Letter of Offer.

Intention and extent of participation by our Promoters

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company.

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 is exempt in terms of Regulation 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 Regulation 38 of the SEBI Listing Regulations/ SCRR. 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.

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Repayment of Unsecured Loan availed from the related party;
2. Working Capital Requirements
3. General Corporate Purpose

The objects clause of our Memorandum of Association enables us to undertake our existing activities. The fund requirement and deployment are based on internal management estimates and have not been appraised by bank. Further, the same is based on our current business plan. In view of the competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently the fund requirement may change.

Issue proceeds

The details of the Issue Proceeds are set forth in the table below:

(in lakhs)

Particulars	Amount
Gross proceeds from the Issue*	4,800.00
Less: Estimated Issue expenses	55.00
Net proceeds	4745.00

*Assuming full subscription and Allotment of the Rights Equity Shares.

Requirement of funds and utilisation of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the table below:

(in lakhs)

Particulars	Amount
Repayment of Unsecured Loan (including Interest) availed from the related party*	2626.06
Working Capital Requirements **	1173.94
General corporate purposes	945.00
Total Net proceeds#	4,745.00

*Pursuant to the certificate dated December 01, 2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants.

**Pursuant to the certificate dated December 01, 2022, issued by M/s. Ravi Sharma & Company, Chartered Accountants

Assuming full subscription and Allotment of the Rights Equity Shares

In case of variations in the actual utilisation of funds earmarked for the purposes set forth below, the requirements of Regulation 32 and 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be complied with.

Means of Finance

The funding requirements mentioned above are based on, inter alia, our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. These funding requirements are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest, or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Further, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws.

Our Company proposes to meet the entire funding requirements for the proposed Objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of implementation and deployment of funds

Our Company proposes to deploy the Net Proceeds towards the objects of the Issue during Fiscal 2023. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If the actual utilisation towards any of the Objects is lower than the proposed deployment, then such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of Objects of the Issue;

1. Repayment of Unsecured Loan availed from the related party

Loan availed from the Related Party i.e. Gist Minerals Technologies Limited

Our Company proposes to utilize an estimated amount of ₹ 2626.06 Lakhs from the Net Proceeds of the Issue towards repayment of unsecured loan availed by our Company from one of the Related Party i.e Gist Minerals Technologies Limited.

The unsecured loan amounted of ₹ 2,300 lakhs vide an Intercompany Loan agreement dated November 12, 2020 for a period of 2 years. However, keeping in view the business expansion plans, the Company vide request letter dated November 05, 2022, requested the Lender to extend the term of Loan Agreement by an additional 12 months.

The Lender vide their Sanction letter dated November 10, 2022 considered our request and agreed to extend the Term of Loan and thus, the term being 3 (Three) years from the date of disbursement of first tranche of the loan amount. Further, the Lender also revised the rate of interest payable on the loan amount from 6% to 9% p.a. with effect from July 01, 2022.

The Company and the Lender entered into an Addendum as on November 12, 2022; the addendum being be an integral part of the Intercompany Loan Agreement entered into as on November 12, 2020.

The following table provides details of the principle terms of the unsecured loan that have been availed by our Company from one of the Related Party.

Sr. No.	Particulars	
1.	Name of the Lender	Gist Minerals Technologies Limited
2.	Amount of Loan	₹ 2,300 Lakhs*
3.	Tenure	3 years
4.	Nature of Loan	Unsecured Inter-company Loan
5.	Rate of Interest	9.00% p.a.

**The Company had availed total of ₹ 2,300 Lakhs loan from Gist Minerals Technologies Limited vide Intercompany Loan Agreement dated November 12, 2020 and Addendum to the Intercompany Loan Agreement dated November 12, 2022 and deployed the specifically for the purpose of expansion of Quartz project pursuant to the certificate dated December 01, 2022 issued by M/s. Ravi Sharma & Company, Chartered Accountants.*

Note: The principle terms have been derived from the Intercompany Loan Agreement dated November 12, 2020 and Addendum to Intercompany Loan Agreement dated November 12, 2022.

The aforesaid loan had been availed and utilized completely towards expansion of Quartz Project. The proceeds to this Issue shall be utilized for the purpose of repayment of the aforesaid loan.

Details of Gist Minerals Technologies Limited (GMTL)

Gist Minerals Technologies Limited (GMTL) was incorporated on November 7, 2016 under the Companies Act, 1956 with the Registrar of Companies, Mumbai. The registered office of the Company was shifted from the State of Maharashtra to the State of Karnataka pursuant to the order passed by the Regional Director on May 28, 2019. Presently, the registered office of the Company is situated at Survey No.13, N. H. 48, Kempalinganahalli, Nelamangala Talukak, Bangalore 562123. The CIN of the company is U14290KA2016PLC126434.

Gist Minerals Technologies Limited became the subsidiary of the issuer w.e.f November 07, 2016. The main object of GMTL as per Memorandum of Association is to carry out the business of crushing, quartz, mining, processing, mixing, blending, trading, quarry, supplying, manufacture, fabricate, design, engrave, assemble, refine, treat, cut, grind, saw, dress, finish, polish, glaze, wash, screen, acidise, wax and prepare for market , import, export, purchase , sell or act as agent, stockiest, distributors, suppliers and dealers in all type of stones, stone grits, all kind of building materials, minerals and mineral products including ramming mass powder and to manufacture, fabricate, design, engrave, assemble, refine, blasting, treat, cut, mind, crush, grind, saw, dress, finish, polish, glaze, process, wash, screen, acidise, wax and prepare for market , import, export, purchase , sell or act as agent, stockiest, distributors, suppliers and dealers in all kind of tiles, block and slabs of granite, marble, agglomerated, marble all product of cultured marble, quartz, precious and semi-precious stones including artificial stones, laterites, marble chips, tiles granite, latrines, limestone, feldspar, corundum, quartz, artificial stones, lime stones, soap stones, stale stones, sand stones, silica stones, building stones any waste or by products thereof, and any interest therein and to explore, work, develop, and turn to account the same.

The List of Directors of Gist Minerals Technologies Limited is as under:

Name of Directors	Address of Directors	Designation	Date of Appointment
Jagdish Prasad Agarwal	19-C, Old Fatehpura, Udaipur - 313001 (Raj.)	Promoter Director	07.11.2016
Ankit Agarwal	19-C, Old Fatehpura, Udaipur - 313001 (Raj.)	Promoter Director	07.11.2016
Shruti Agarwal	19-C, Old Fatehpura, Udaipur - 313001 (Raj.)	Promoter Director	07.11.2016
Pradeep Kumar Jain	K-5, Gold Leaf Colony, Kota, Bawari, Bhuwana, Udaipur - 313001 (Raj.)	Independent Director	25.06.2021

The Shareholding pattern of Gist Minerals Technologies Limited is as under:

Name of Shareholder	No. of Shares	% of Holding
Pacific Industries Limited	99,994	99.99%
Kapil Agarwal*	1	0.0001%
Ankit Agarwal*	1	0.0001%
Geeta Devi Agarwal*	1	0.0001%
Kanika Agarwal*	1	0.0001%
Shruti Agarwal*	1	0.0001%
Narayan Prasad Agarwal*	1	0.0001%
TOTAL	10,00,000	100%

* nominee on behalf of Pacific Industries Limited

Audit Committee Approval

The Intercompany loan obtained from Gist Minerals Technologies Limited has been approved by the Audit Committee along with its terms in their meeting held on November 12, 2020 and November 12, 2022 approving the extension of tenure of loan and revised interest rate.

Relationship of GMTL with our Company / Promoters / Directors

Gist Minerals Technologies Limited is a wholly owned subsidiary of the Issuer. Mr. Pradeep Kumar Jain, Non-executive Independent Director of the Company is also appointed as an Independent Director in GMTL.

Source of Funds of GMTL and its utilization by our Company

The Inter Corporate Loan of ₹ 2300 lakhs have been provided by GMTL from their owned funds as per the certificate dated 04.03.2022 received from M/s. Bapana and Company, Chartered Accountants. Our Company has utilized an amount of ₹ 2,300 lakhs up to September 30, 2022 for the purpose of expansion of Quartz project. Total amount of ₹ 3445.10 lakhs including interest have been booked in the books of our Company till September 30, 2022.

2. Working Capital Requirements

We fund a majority of our working capital requirements in the ordinary course of business from various banks facilities and internal accruals. As at September 30, 2022, the aggregate amounts outstanding under the fund based and non - fund based working capital facilities of our Company are 4079.46 lakhs and 1288 lakhs, respectively.

Our Company requires additional working capital for funding its working capital requirements in Fiscal 2022.

Basis of estimation of working capital requirement

The details of our Company's working capital as at, March 31, 2022 and estimated Fiscals for 2023 and source of funding of the same, on a standalone basis, are provided in the table below:

(in ` lakhs)

Sr. No	Particulars	Fiscal 2022 Audited (Standalone)		Fiscal 2023 Estimated (Standalone)	
		Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)
	Current Assets				
1.	Inventories	7,377.41	110	8613.97	158
2.	Financial Assets				
	(i) Investments	-			
	(ii) Trade receivables	4,367.14	57	4514.65	66

	(iii) Cash and Cash equivalent	116.95		931.94	
	(iv) Bank balance excluding (iii) above	2,111.08		4147.99	
	(v) Loans	80.46		187.42	
	(vi) Others	2.34		-	
3.	Other Current Assets	2,847.26		2241.25	
	Total Current Assets (A)	16,902.64		20637.22	
	Current Liabilities				
1.	Financial Liabilities				
	(i) Trade payables		79		53
	- Total outstanding dues of micro enterprises and small enterprises	1,811.66		-	
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,788.44		2562.67	
	(ii) Others	294.34		384.79	
2.	Other Current Liabilities	631.35		842.50	
3.	Provisions	136.16		728.21	
	Total Current Liabilities (B)	5,661.95		4518.17	
	Working capital requirements (A - B)	11,240.69	88	16119.05	171
	Met from short term borrowings and internal accruals				

Note: - In Above Working Capital requirement Calculation, Short Term Borrowings, Current Maturities of Long-term borrowings and Trade payable for Capital goods have not been Considered which was shown under the head current Liabilities in the Audited Balance Sheet as on 31.03.2022 and projected Balance Sheet as on 31.03.2023.

* Pursuant to the certificate dated December 01, 2022 issued by M/s. Ravi Sharma & Company, Chartered Accountants.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize part of an amount i.e. ₹ 1173.94 lakhs from the Net Proceeds towards funding the working capital requirements of the Company.

*** Rounded off to the nearest number of days*

Justification:

Sr No	Particulars	Assumption
1	Receivables	We had trade receivables of 57 days of revenue from operations at the end of Fiscal 2022. We have assumed trade receivables of 66 days of revenue from operations at the end of Fiscal 2023.
2	Inventory	Inventory days were 110 days of cost of goods sold for Fiscal 2022. We have assumed inventory to be 158 days of cost of goods sold in Fiscal 2023.
3	Trade payables	Trade payable days were 79 days of cost of material consumed for Fiscal 2022. We have assumed trade payables to be 53 days of cost of material consumed in Fiscal 2023.
4	Working capital Cycle	The working capital cycle of our Company was at 88 days for Fiscal 2022. Our Company expects the working capital cycle to be around 171 days in Fiscal 2023.

**Pursuant to the certificate dated December 01, 2022 issued by M/s. Ravi Sharma & Company, Chartered Accountants.*

The total working capital requirement as per above working shall be ₹ 16119.05 lakhs. However, the management of the Company as per Resolution of Board of Directors dated 16th November 2022 has envisaged ₹ 1173.94 lakhs to be earmarked towards Working capital requirements from the proceeds of the Rights Issue.

The aforementioned working capital estimates and projections have been approved by the Board through a resolution dated 16th November 2022.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize part amount ₹ 1173.94 lakhs of the Net Proceeds in Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals and short-term borrowings.

3. General Corporate Expenses

Our Company intends to deploy any balance Net Proceeds towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

- a) strategic initiatives;
- b) funding growth opportunities;
- c) meeting ongoing general corporate contingencies;
- d) meeting fund requirements of our Company, in the ordinary course of its business;

- e) meeting expenses incurred in the ordinary course of business; and
 f) any other purpose, as may be approved by the Board, subject to applicable law

Issue expenses

The total expenses of this Issue are estimated to be ₹ 55.00 lakhs. The break-up of the Issue expenses is as follows:

<i>(₹ in lakhs)</i>				
Sr No	Particulars	Amount [^]	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)#
1.	Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, selling commission, registrar fees and expenses)	18.00	32.73	0.38%
2	Fee payable to regulators, including depositories and Stock Exchanges	16.00	29.09	0.3%
3	Advertising	5.00	9.09	0.10%
4	Printing, stationary and Distribution expenses	10.00	18.18	0.21%
5	Other expenses(including miscellaneous expenses and stamp duty)	6.00	10.91	0.13%
	TOTAL	55.00	100.00	1.15%

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be paid out of internal accruals of the Company.

[^] Excluding taxes

Assuming full subscription

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be permitted under SEBI (ICDR) Regulations or as may be allowed by SEBI from time to time.

Monitoring utilization of funds

Since the Issue is for an amount of less than ₹10,000 lakh, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee and the Board shall monitor the

utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, if any, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

In accordance with the requirements of Regulation 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / applications of funds on a quarterly basis as part of our quarterly declaration of results. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges, on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners to the objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To
The Board of Directors
Pacific Industries Limited
Survey No.13, N.H.48, Kempalinganhalli,
Nelamangala Taluka
Bangalore 562123

Sub: Statement of possible special direct tax benefits available to Pacific Industries Limited ("the Company") and its shareholders ("the Statement")

Dear Sirs,

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("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 or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

1. the Company or its shareholders will continue to obtain these benefits in future; or
2. the conditions prescribed for availing the benefits, where applicable have been/would be met.

This statement is intended solely for information and for inclusion in the Draft Letter of Offer/Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For Ravi Sharma & Co.
Chartered Accountants
FRN-015143C

(Paras Bhatia)
Partner
M No. 418196

Place: Jaipur
Date: 01.12.2022

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

Special Tax Benefits

I. Benefits available to the Company

There are no special tax benefits available to the Company.

II. Benefits available to the Shareholders

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

**For Ravi Sharma & Co.
Chartered Accountants
FRN-015143C**

**(Paras Bhatia)
Partner
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**Place: Jaipur
Date: 01.12.2022**

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

Economic Outlook

Global Economy

As per the latest International Monetary Fund's (IMF) World Economic Outlook growth projections released in April 2022, the world economy grew by 6.1% in CY21. For CY22, projection for global economic growth slashed to 3.6% citing disruptions due to the Russia-Ukraine conflict and inflationary concerns. It further added that emerging economies are expected to underperform than the advanced economies in CY22 and CY23 as they were hit harder by higher energy and food prices.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)

Country/Group	2021	2022P	2023P
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Japan	1.6	2.4	2.3
United Kingdom	7.4	3.7	1.2
Canada	4.6	3.9	2.8
Remaining Advances Economies	5.0	3.1	3.0
Emerging Market & Developing Economies	6.8	3.8	4.4
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India*	8.9	8.2	6.9
ASEAN**	3.4	5.3	5.9
Emerging and Developing Europe	6.7	-2.9	1.3
Latin America and the Caribbean	6.8	2.5	2.5
Middle East and Central Asia	5.7	4.6	3.7
Sub-Saharan Africa	4.5	3.8	4.0

Notes: P-Projections

*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

**Includes Indonesia, Malaysia, Philippines, Thailand and Vietnam

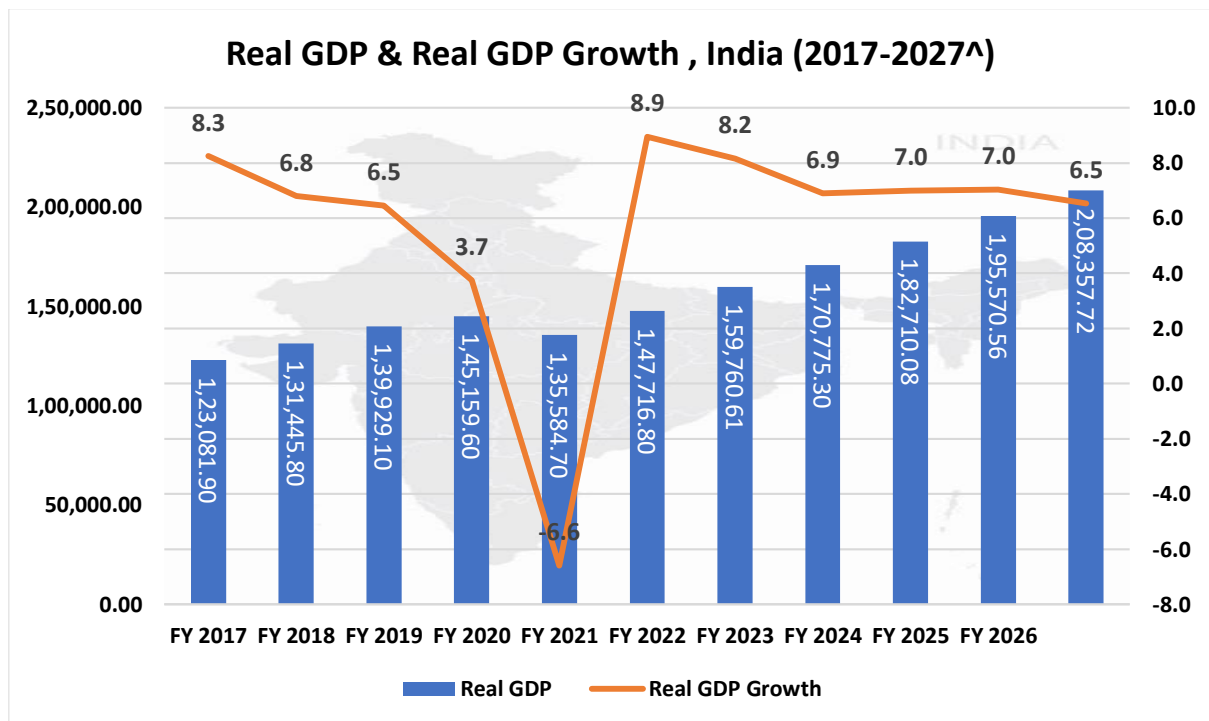
Source: IMF – World Economic Outlook, April-2022

<https://www.imf.org/en/Publications/WEO/weo-database/2022/April>

Indian Economy

GDP growth and Outlook

India's real GDP growth has averaged 6.6% in the five years preceding the COVID-19 pandemic in 2020 with a moderation in economic growth since 2016. Economic growth abruptly slowed down to 3.7% in Fiscal 2020 because of disruption due to the implementation of reforms such as the goods and services tax from 2017, demonetization in 2016 and lower consumer demand. In Fiscal 2021, the economy contracted 6.6% due to stringent lockdown measures that impacted both the manufacturing and services industries, pushed up unemployment, and dampened consumer spending.



Real GDP in (Billion Rupees) & Real GDP Growth (in %)

[^]Financial Year pertains to the periods from April to March; For instance, Fiscal 2022 is the period between April 2021 and March 2022, Real GDP is measured in constant prices. Base year for calculating GDP growth is Fiscal 2012. Estimated forecast from Fiscal 2022.

Source: International Monetary Fund (IMF) World Economic Outlook, April 2022; Data updated as on 17th Oct 2022.

Aided by a lower base, India's real GDP is projected to have expanded 8.9% in Fiscal 2022 due to a recovery in consumer sentiment, gradual reopening on of the economy, and a rebound in manufacturing and service sectors. Higher energy prices and a slowdown in global trade due to the Russian-Ukrainian war will increase downside risks to economic growth in Fiscal 2023. Over the medium-term, India's real GDP is expected to grow at an average rate of 7.0% buoyed by growth of merchandise and services trade, infrastructure and logistics push, and growth in consumption aided by an expanding middle class.

In Fiscal 2023, India is poised to remain the fastest growing major economy with a projected growth above 8% as growth in China moderates to 4.4% and other advanced economies including the US and the EU face strong headwinds to economic growth due to the Russian-Ukrainian war and rapid monetary tightening. Southeast Asian manufacturing powerhouses including Vietnam, Thailand, Philippines, Indonesia, and Malaysia are also expected to register moderate growth between 5% - 7% in the current year. Over the medium-term, as Indian GDP growth gradually moderates to a range between 6% - 7%, other emerging Asian economies including Bangladesh and Vietnam are expected to outperform Indian GDP growth.

RBI's Growth Outlook

Since February 2022, the geo-political tension triggered by the conflict between Russia and Ukraine is gradually unfolding its economic impact. India is may already be witnessing its impact in energy and food market. Oil and other commodity prices are blazing to multi-year highs, and financial markets are on edge, driven by massive sell-offs. Amidst these testing times, the Indian economy is experiencing spill overs as it recovers from the third wave of Pandemic. With the ebbing of the third wave and expanding vaccination coverage, the pick-up in contact-intensive services and urban demand is expected to be sustained. The headwinds from geopolitical tensions, tightening global financial conditions and the slowing external demand pose downside risks to net exports to the outlook. Taking all these factors into consideration, the real GDP growth for 2022-23 is pared down at 7.0% by RBI in September'22 Outlook from 7.2% estimated in August'22 Outlook.

However, the overall economic outlook for fiscal 2023 will be supported by the continued infrastructure led spending by the central government. Continued high commodity prices and any disruption in economic activity due to increased infection rates will be key monitorable.

RBI's GDP Growth Outlook (Y-o-Y %)

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23
GDP Growth – September'22 Outlook	16.2	6.3	4.6	4.6	7.0
GDP Growth – August'22 Outlook	16.2	6.2	4.1	4.0	7.2

Source: RBI press release dated September 30, 2022 and August 05, 2022

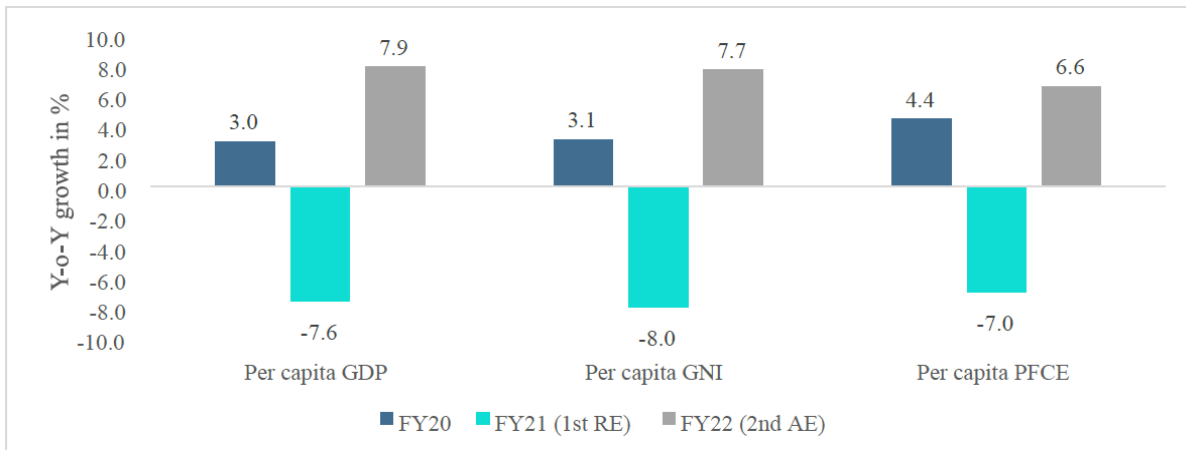
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Per Capita GDP, Income and Final Consumption

Gross Domestic Product (GDP) per capita is a measure of country's economic output per person. FY21 witnessed a significant de-growth due to the pandemic. However, in FY22 the economy is on path of recovery and the per capita GDP is estimated to grow by 7.9%. The growth is projected at 3.8% of CAGR between FY15 to FY22. The Gross national income (GNI) is also estimated to increase by 6.8 % in FY22. The per capita private final consumption expenditure (PFCE), that represents consumer spending, is likely to increase by 6.6% in FY22. Majorly, the FY22 reflects per capita growth due to a lower base.

Growth in Per Capita GDP, Income and Final Consumption (Y-o-Y growth in %)



Source: MOSPI

<https://pib.gov.in/PressReleasePage.aspx?PRID=1723153>

<https://mospi.gov.in/documents/213904/416359/PRESS%20NOTE%20SAE%2028-02-2022M1646051035697.pdf/f0035128-6098-8329-3e7b-6d7df22e8b2d>

Overview of Natural and Engineered Stone Industry

Natural stones are produced by complex geological processes and include a number of products such as granite, limestone, marble, slate, quartzite, onyx, sandstone, travertine, and others that are quarried from the earth. Natural stones are widely known for their uniqueness, aesthetic appeal, texture, color, and composition as no two natural stones are the same.

Natural stones have wide range of applications in large-scale constructions such as construction of government buildings, churches, monuments, and road construction. Previously, for residential construction projects, wood and brick was a non-debatable choice. However, as per recent trends, natural stone is widely used in residential construction owing to its excellent structural and decorative aspects. Some of the popular applications of natural stones in residential construction include atriums, fireplaces, countertops, bathrooms, entryways, and other surfaces. Natural stones are known for the sense of peaceful tranquillity that they create and for their distinctive beauty. In addition to aesthetic appeal, natural stones are durable compared to other building materials, such as wood, they can last

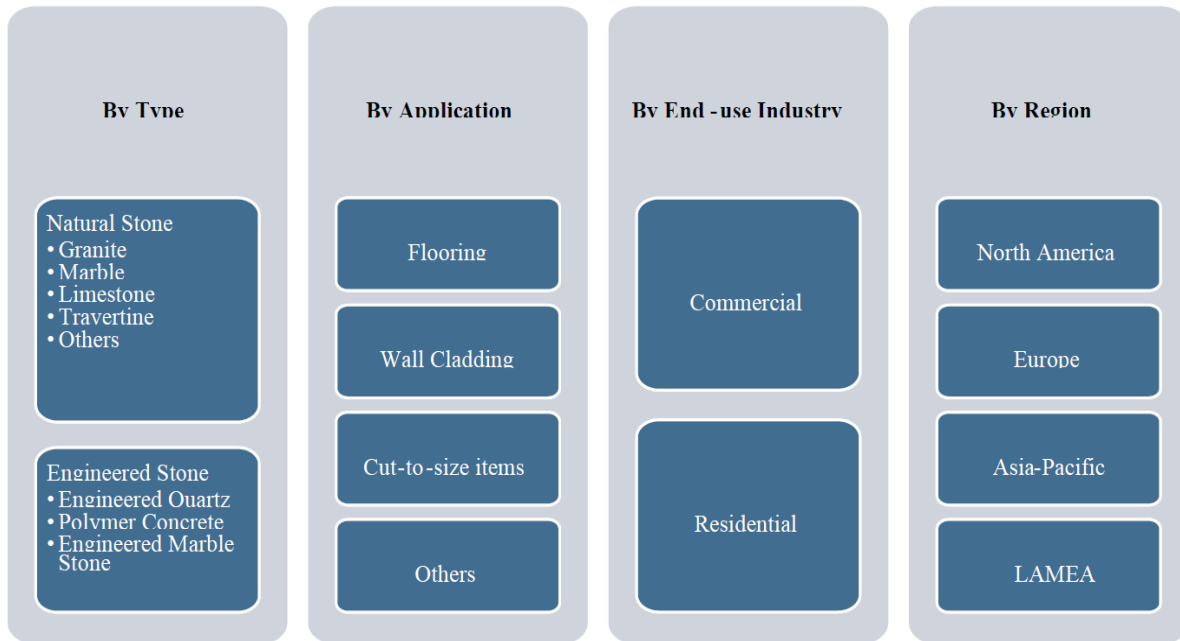
for decade, and require very little maintenance. Natural stones are also available in slabs that can be as large as 350x200 cm.

These stones are available in a variety of finishes such as antiquated, leather, rugged, polished, and tumbled and in a variety of edges such as bull-nosed, bevelled, and others.

Quartz, an example of engineered stone used in the countertop industry, is a composite material made up of crushed stone bonded by an adhesive. For instance, for countertops, the slabs are made from quartz crystals bonded with a resin binder. The engineered stone slabs are manufactured by bonding up to 93% natural quartz which is one of the hardest materials, and pigments, aggregates, and polymer resins are used to produce vibrant stone surface with excellent stain, heat, chip, and scratch resistance properties. Also, it is recommended that the engineered stone products should not be used for exterior applications as the direct exposure to sunlight can lead to fading. Owing to this, engineered stones are used for vanity tops, reception or bar counters, kitchen benchtops, upstands and splash backs.

Market Segmentation of the Natural and Engineered stones

The Natural and Engineered stones can be bifurcated into various segments depending upon their type, application, end use industries and region.



Global Natural Stone Industry

The use of natural stone can be traced back to countless buildings, structures, and monuments that were-built thousands of years ago in different parts of the world and they have stood the test of time. Some of the examples of such structures include the Colosseum in Rome, the Mayan temples in Mexico, the great Pyramids of Giza, Egypt, and others. In addition, natural stone is a green building material as it is recyclable and can be used without any additional wall covering or finishes. Marble is quarried

from countries namely Italy, Greece, U.S., India, Sweden, China, and Germany. Among these, Italy is well-known for high-grade and luxurious marble. The Italian marble has high heritage as Italy has been a pioneer in perfect quarrying methods since ancient times. Some of the popular Italian marbles are carrara marble, calacatta marble, statuario marble, and others.

Current Scenario

In 2021, the global natural stone held a higher share of 60% of the total market as compared to engineered stone market. Its market grew at a CAGR of 5% from \$27,991 million in 2016 to \$35,999 million in 2021. It is expected that the market would grow at a CAGR of 6-7% between 2021 and 2026.

Under the natural stone segment granite has been the highest contributor followed by marble. The granite and marble segments collectively accounted for around 66% market share in 2021.

Granite

Granite is a hard-igneous rock that is granular and phaneritic in nature. Granite grew at a CAGR of 6% between 2016 and 2021. The market is expected to reach \$23,733 million in 2030 from \$13,432 million in 2021.

Marble

Marble is a popular metamorphic rock found in mountainous regions and is usually quarried in India, Italy, China, and Spain. The market for marble grew at a CAGR of 5% between 2016 and 2021, the market was valued at \$10,312 million in 2021 and is expected to reach to \$17,400 million in 2030. Marble is famous for its beauty, elegance, and timeless appeal. Many architectural projects including the historical ones are built using different marbles.

Outlook

The global natural stone industry has showed signs of recovery after in decline in 2020 and is expected to grow at a CAGR of 6-7% between 2021 and 2026. Further, the industry is expected to grow at 4-5% CAGR between 2026 and 2030.

The global economy was impacted by the Covid-19 pandemic. Country-wise lockdowns and delays in manufacturing and delivery of natural stone used in residential and commercial areas hampered the growth of the natural stone sector. As the pandemic subsiding, the global economy has started to show signs of recovery. The building industry is expanding as a result of rising housing investment and construction spending in countries such as the United States, Japan, India, and others, which is fuelling the worldwide natural stone market. Furthermore, the global market is predicted to develop due to increased urbanization and population expansion, which is expected to increase demand for natural stones for flooring and wall cladding applications.

Indian Natural Stone Industry

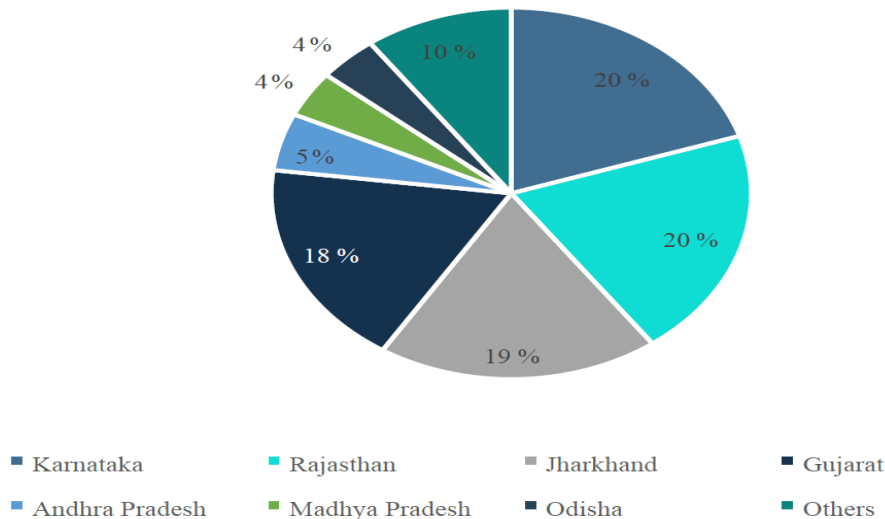
The market for natural stones in India is expected to grow considerably in the coming few years. India has rich reserves of stones due to its diverse geographical location. India holds 3rd place in the global production of natural stones, and holds nearly 11% share of the global natural stone market. Rajasthan is the most important and a major contributor to country's mining business and holds nearly 90% share in India's sandstone sector. Natural stone deposits in Rajasthan can be widely observed in Kota, Bharatpur, Tonk, and Sawai Madhopur, among others.

India has rich mineral deposits and has one of the largest granite reserves in the world. It accounts for over 20% of the global granite reserves. The granite production mainly takes place in and around the states of Andhra Pradesh, Telangana, Rajasthan, Karnataka, Tamil Nadu, Uttar Pradesh, Odisha, Madhya Pradesh, and Gujarat among others.

Indian Granite Stone Industry

India is one of the world's leading producers and exporters of granite. The granite business, has massive granite reserves of 4 trillion cubic metres. Granite deposits abound in Tamil Nadu, Andhra Pradesh, Karnataka, Rajasthan, and Odisha, making the country one of the world's largest granite reserves. In addition, India has over 100 varieties of granite, which come in a variety of colours and textures, with 60 of those varieties being commercially viable. While Indian granite is utilised for a wide range of projects, including inventive and modern sculptures, memorials, and structures, it is especially popular for kitchen interiors. Indian granite's unrivalled design, grace, and quality have helped it become a multi-million-dollar foreign currency commodity. Famous structures around the world, including as the Vietnam War Memorial, Japan's Atomic Bomb Victims Memorial, and Washington's Bruce Lee Memorial, have all been built with Indian granite.

State wise break up of granite resources in India



Source : Indian Mineral Yearbook 2019

<https://ibm.gov.in/?c=pages&m=index&id=1476>

<https://ibm.gov.in/writereaddata/files/07132021132324Granite%202020.pdf>

In 2021, the Indian natural stone market stood at \$4,724 million growing at a CAGR of 7% between 2016 and 2021. Going forward, the market is expected to reach \$9,181 million in 2030. However, the growth could be affected due to factors such as illegal mining, lack of environmental clearances or irregularity in the allotment process of the quarries as these issues have cropped up in the recent years. Also, lack of support from government or introduction of new policies can impact the growth of the industry. For instance, for the Indian granite industry 2019 was a tough year. According to industry players, issues like lack of policy support from the government and implementation of GST resulted in a slowdown in the exports of the country. In FY20 for the first 10 months, granite export from India was valued at US\$ 619 million and the overall export for FY20 was marginally higher as compared to FY19. In FY 22, the global pandemic has caused unprecedented disruption in the Indian granite sector, as it has in many other industries. Factors include Covid-19, the Ukraine-Russia conflict, port congestion, and other supply chain interruptions

Outlook of Indian Natural Stone Industry

The Indian natural stone industry is expected to grow at a CAGR 8-9% between 2021-2026 reaching \$7,059 million in 2026. In the projected years, the industry is expected to grow at a CAGR of 6-7% between 2026 and 2030 to reach \$9,181 million.

The resumption in sales and launches indicates that consumer sentiment surrounding investing in a property is picking up. With the reopening of the economy the rate of absorption of office spaces is expected to increase as offices have started to open up again and employees are returning back. This augurs well for the natural stone industry as construction of new real estate would also lead to demand for natural stones such as marble and granite.

Overview of the Engineered – Global Quartz Industry

Quartz, an engineered stone, is a composite material formed of crushed stone that is held together by an adhesive. Slabs of quartz crystals are kept together by a resin binder in the case of counters. The majority of quartz is made using a 93% crushed stone to 7% resin and coloring ratio. Engineered quartz is gaining significant popularity as they are durable and non-porous. For instance, the engineered quartz is resistant to dents, abrasion, scratches, and acid.

Engineered quartz is available in different styles, designs, and prices that makes it a popular choice among home renovators and contractors. When these quartz aggregates are compressed to slabs, they endure similar texture and color as that of granite or natural slate.

One of the key benefits of engineered stone is that it can be cut into tiles which can be used for flooring and provides sophisticated finish. Also, engineered stones are resistant to mold and mildew due to which they are also suitable for wet rooms of commercial and residential constructions.

The engineered stones can also be used to create luxurious fireplaces owing to its modern and sleek finish that meet the architectural styling requirements.

Current scenario

The global engineered stone market grew at a CAGR of 6% and reached \$24,150 million in 2021 from \$17,719 million in 2016. The engineered quartz has been the major contributor in the engineered stone segment followed by the engineered marble stone.

In the year 2020 and 2021, the industry was impacted by the price fluctuations of quartz. The average price of quartz increased by 12% and 3% in the year 2021 and 2020 respectively. Rise in shipping cost and raw materials were the primary reason for the same.

Global situations like Ukraine – Russia war, trade wars and pandemic lead to surge in uncertainty in global economy. The war between Ukraine and Russia has triggered a humanitarian crisis and economic slowdown in the global growth. The commodity price rise due to the war has led to projections of inflation at 5.7% in advanced economies and 8.7% in emerging economies. The developing economies are projected to have inflation projections of 1.8 and 2.8 percentage points higher than projections for last January.

However, in the projected period from 2021 to 2026, the engineered stone market is expected to grow at a CAGR of 7-8% and reach \$35,165 million, thereafter the industry is expected to reach \$44,897 million in 2030.

Outlook

The global engineered stones market is expected to reach \$44,897 million by 2030. The industry is expected to grow at a CAGR of 5-6% between 2026 and 2030.

As the global economy is recovering from the pandemic, the industry has started to witness a gradual uptrend.

Rising per-capita income, rapid expansion of building sectors, and existence of a high number of engineered stones in regions such Asia-Pacific would further boost demand. Increase in residential renovations, as well as surging need for redeveloping old building constructions will further contribute towards growth of the industry. Engineered stones are environmentally friendly as they contain 93% crushed leftover stone from quarries or natural stone beds and their demand would be benefitted with increasing need for environmentally friendly and sustainable building products for various applications such as kitchen worktops, flooring, raised flooring, internal cladding, vanity tops, and bathroom furnishings for residential and commercial construction projects.

Indian Engineered Stone Industry

Engineered quartz was declared as a minor mineral by the Government of India in 2015. More than half of quartz in India comes from the state of Andhra Pradesh. Other states where quartz is available are Chhattisgarh, Gujarat, Rajasthan, West Bengal, Karnataka and Jharkhand. The industry mainly consists of unorganized players. Besides catering to the Indian market, India is a major exporter of engineered or quartz stones in countries like the U.S, Europe and U.A.E. The demand for engineered

stones has increased tremendously owing to its wide range of applications, cost effectiveness, and many other characteristics such as strength, durability, and availability in various color pellets.

The Indian engineered stone market was valued at \$2,165 million in 2016 and grew at a CAGR of 8% to reach \$3,190 million in 2021. The industry is expected to grow at a CAGR of 9-10% in the projected years between 2021 to 2026. By the year 2030, the Indian engineered stone market is expected to reach \$6,870 million.

In the FY2020-21 the industry was negatively impacted by the Covid-19 leading to disruptions in production and transportation process. As the lockdowns were imposed throughout the country, laborers migrated back to their native towns creating a shortage of labor. The infrastructure and customer base were also affected by the pandemic as the customers wanted to check the look and feel of the products which was not possible during the time of lockdowns.

Outlook of Indian Engineered Stone Industry

The Indian engineered stone industry was valued at \$3,190 million in 2021 and is expected to grow at a CAGR of 9-10% between 2021-2026 to reach \$5,047 million in 2026.

The outlook for the natural segment is stable with a positive upside in the medium term. Like natural stones, the engineered stone industry is also linked to commercial and residential real estate industries. Going forward, with hybrid working environment, design specifications for homes are likely to be altered as there will be higher demand for flexible homes that are capable of functioning as offices and classrooms if required. This would result in increased penetration of engineered stones to be used in interior designing. Under commercial real estate, the hospitality segment is expected to register a gradual pick-up over the coming years as the sector recovers from the effects of the pandemic. This would turn out well for engineered stones as they are widely used in swimming pools, food facilities, walls, canteens, kitchen countertops, etc.

Countertop market Overview

The global countertop market is expected to reach USD 110.54 billion by 2027, growing at a CAGR of 2.8 percent over that time. Factors driving market expansion include rising disposable income, an increase in the number of food service outlets, a growing preference for large kitchens and multiple bathrooms, and an increase in the number of hotel rooms globally. Furthermore, the market is experiencing robust growth due to a consistent increase in the residential construction sector worldwide and rising individual spending on home improvements. Countertops are typically installed in new homes as well as during kitchen remodelling. Furthermore, there has been an increase in bank mortgage refinances and loans, resulting in more credit being accessible for the renovation of existing residences, which is driving up demand for countertop items. Due to a growing preference for higher-priced materials over laminates, the market value of the countertop sector is expected to expand over the projected period. The demand for countertops is being fuelled by continued high growth in developing economies such as China, India, and Brazil. Throughout the world, the countertop market is on the rise. One positive aspect of this progression is that, as a result of the high level of quality and low cost, more people are opting for granite countertops. Granite is very popular with customers because of its great aesthetic appeal

Impact of COVID-19 pandemic outbreak on the countertop industry outlook

In FY2022, the COVID-19 pandemic is predicted to have a significant influence on worldwide countertop demand, resulting in a reduced growth rate until 2024. The pandemic will have a substantial impact on the fast-growing engineered stone countertop business, notably in the United States, which will be exacerbated by the newly enforced tariffs on quartz slab imports from China, India, and Turkey.

Anti -Dumping Duty:

A company is said to be “dumping” if it exports a product at a price lower than the price it normally charges on its own market, or alternatively, lower than its cost of production or the price it charges in third country markets. In United States of America, the Antidumping Agreement sets the rules for allowing Members to take action against dumping in order to defend its domestic industries. The Department of Commerce and the U.S. International Trade Commission conduct antidumping investigations in the United States. Through its continuous investigations The Department of Commerce and U.S. International Trade Commission has applied the following duties:

Anti -Dumping Duty:

Country	Exporter	Producer	Estimated weighted average dumping margin (percent)
China	Foshan Yixin Stone Co., Ltd	Foshan Yixin Stone Co., Ltd	333.09
	Foshan Yixin Stone Co., Ltd	QingYuan Yue Feng Decoration	333.09
	Suzhou Color quartz stone New Material Co., Ltd., Shanghai Meiyang Stone Co., Ltd.,	Suzhou Color quartz stone New Material Co., Ltd. and Shanghai Meiyang Stone Co., Ltd	265.81
	Non-Individually Examined Exporters Receiving Separate Rates	Producers Supplying the Non-Individually-Examined Exporters Receiving Separate Rates.	297.40
	China-Wide Entity	China-Wide Entity	336.69
Turkey	Belenco Diş Ticaret A.Ş, and Peker Yu`zey Tasanmlan Sanayi ve Ticaret A.Ş,	Belenco Diş Ticaret A.Ş, and Peker Yu`zey Tasanmlan Sanayi ve Ticaret A.Ş,	5.17
	All Others	All Others	5.17

Source: USITC

<https://access.trade.gov/public/FRNoticesListLayout.aspx>

Countervailing duty:

Country	Company	Subsidy rate (percent)
China	Foshan Hero Stone Co., Ltd.	190.99
	Fasa Industrial Corporation Limited	190.99
	Foshan Yixin Stone Co., Ltd	45.32
	Foshan Nanhai Julang Quartz Co	190.99
	Qinguan Yuefeng Decoration	190.99
	All Others	45.32
Turkey	Belenco Diş Ticaret A.Ş, and Peker Yu`zey Tasanmlan Sanayi ve Ticaret A.Ş,	2.43
	All Others	2.43

Source: USITC

<https://access.trade.gov/public/FRNoticesListLayout.aspx>

The rates announced on the imports of quartz slabs range between 265.81%-336.69% for china and 5.17% for Turkey. Along with this, countervailing duty in the range of 45.32%-190.99% for china and 2.43% for Turkey was also announced on the imports of quartz surface products. The imposition of AD and CVD duties was to protect US businesses from dumping of quartz surface products at less than fair value by China. Quartz surface products consist of slabs and other surfaces made up from a mixture of materials consisting of predominately silica and resin binder. The duties imposed also includes but is not limited to, other surfaces such as countertops, bar tops, work tops, tabletops, flooring, wall facing, shower surrounds, fire place surrounds, mantels and tiles however, it does not cover quarried stone products such as granite, marble, soapstone, quartzite and crushed glass.

This opened up opportunities for other countries to increase their exports of quartz surface products to the US. However, to restrict other countries from selling quartz surface products at lower prices in the US market, The Department of Commerce under the United States International Trade Commission (USITC) issued a notice imposing change in anti-dumping duty on India.

Anti -Dumping Duty- India:

The U.S. Department of Commerce (Commerce) has announced the preliminarily results of its administrative review of quartz surfaces anti-dumping duty in July, 2022. The Commerce has preliminarily determined that the anti-dumping duty during the period of review (POR) December 13, 2019, through May 31,2021, to be as followed:

Country	Exporter/Producer	Estimated weighted average dumping margin (percent)
India	Pokarna Engineered Stone Limited	0.00

	Antique Marbonite Private Limited, India/Shivam Enterprises (Shivam)/Prism Johnson Limited (Prism Johnson)	323.12
	Non-Selected Companies*	161.56

Source: USITC

*Pacific Industries being in the group of 51 non selected company

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Countervailing duty:

Country	Exporter/Producer	Subsidy rate (%)
India	Pokarna Engineered Stone Limited	2.34
	Antique Marbonite Private Limited, India/Shivam Enterprises (Shivam)/Prism Johnson Limited (Prism Johnson)	1.57
	All Others	2.17

Source: USITC

<https://access.trade.gov/public/FRNoticesListLayout.aspx>

Anti-dumping duty on Indian companies will only be effective, based on the outcome of final review due in November 2022.

As per the World Trade Organization (WTO) norms on anti-dumping duty, 'Anti-dumping investigations are to end immediately in cases where the authorities determine that the margin of dumping is insignificantly small (defined as less than 2% of the export price of the product). Other conditions are also set. For example, the investigations also have to end if the volume of dumped imports is negligible (i.e., if the volume from one country is less than 3% of total imports of that product — although investigations can proceed if several countries, each supplying less than 3% of the imports, together account for 7% or more of total imports)



OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with the investment in the Equity Shares, you should read "Risk Factors" on Page 24, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management Discussion and Analysis of Financial Condition and Results of Operations" on pages 108 and 186 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Limited Review Unaudited Financial Results and Audited Financial Statements.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are for Pacific Industries Limited as the case may be.

Overview

Our company was established in the year 1989 by its visionary promoter and managing director Shri J P Agarwal. The Company had started its business in the field of Granite mining and Granite Processing with gang saw and polishing machines at Udaipur, Rajasthan. Thereafter the Company had set up a new granite processing plant at Bangalore, Karnataka in the year 1995. Both the Udaipur and Bangalore units have been operating as a 100% Export Oriented Unit since inception. Further in 2019, company assessed change in the market scenario of shift from natural to manmade stones and thus diversified its business into manufacturing of engineered quartz. The diversification has helped the company to cater the needs of existing customers as well as helped in onboarding new customers. The major source of revenue continues to be sale of natural stones and man-made surfaces for the Company.

Our Company is currently engaged in the business of processing natural stones and manufacturing engineered quartz. Natural stones are produced by complex geological processes and include a number of products such as granite, limestone, marble, slate, quartzite, onyx, sandstone, travertine, and others that are quarried from the earth. Natural stones are widely known for their uniqueness, aesthetic appeal, texture, color, and composition as no two natural stones are the same. Engineered quartz on the other hand, is an example of engineered stone used in the countertop industry, which is a composite material made up of crushed stone bonded by an adhesive. For instance, for countertops, the slabs are made from quartz crystals bonded with a resin binder.

We have two units, one located at Bedla, Udaipur and second located at Nelamangala Taluka, Bangalore for processing and manufacturing of our products. These both units are 100% Export Oriented Units. Our Udaipur Unit admeasuring 49700 sq. mtrs. And Bangalore unit admeasuring 27215.07 sq. mtrs. Or thereabouts are strategically located in close proximity of the key raw material (i.e., blocks of natural stones & quartz stone) which helps us in sourcing our raw materials and also minimize the logistics and transportation cost. These state-of-the-art units are equipped with latest and modern technologies to deliver superior quality of products.

Our products have application in the flooring, wall cladding, countertops, cut-to size and infrastructure projects.

Our products are used in both commercial and residential industry and are sold within and outside India. We are focused on exporting our products and have exported to the United States of America, Vietnam, Poland, Slovakia.

Our business model is aimed at consistently expanding our product portfolio by developing new designs. We constantly engage with our customers through marketing and promotional activities and industry specific events. Our sales team works closely with our customers to obtain their insights and feedback about the upcoming trends in the industry which enables us to develop and improve our products to fulfil the tastes and demands of the market.

The table below sets forth certain key operational numbers for the periods indicated on consolidated basis:

Particulars	Half Year ended on September 30, 2022		Half Year ended on September 30, 2021		Fiscal 2022		Fiscal 2021	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
Revenue from Operations	12,413	96%	16,831	97%	28,356	97%	17,826	96%
Other Income	500	4%	461	3%	985	3%	761	4%
Total Revenue	12,912	100%	17,292	100%	29,342	100%	18,586	100%
Cost of Goods Sold	8,215	64%	12,600	73%	15,950	54%	8,338	45%
Employee Benefit Exp	632	5%	438	3%	977	3%	926	5%
Other Exp	2,739	21%	1,830	11%	8,826	30%	6,689	36%
Finance Cost	224	2%	144	1%	352	1%	289	2%
Depreciation & Amortization Exp	573	4%	419	2%	1,080	4%	844	5%
Total Exp	12,382	96%	15,430	89%	27,185	93%	17,087	92%
Profit/(Loss) before tax	530	4%	1,862	11%	2,156	7%	1,499	8%
Net Tax Exp	121	1%	467	3%	565	2%	458	2%
Profit/(Loss) after tax	409	3%	1,394	8%	1,592	5%	1,041	6%

OUR COMPETITIVE STRENGTHS

We believe that our primary competitive strengths include the following:

Consistent Growth

Our Company has grown from a single category to multi-category stone manufacturing company. Our revenue from operations has grown from ₹ 24.33 Lakhs in Fiscal 1992 to ₹ 28,202.57 Lakhs in Fiscal 2022, registering a CAGR of 26.51 % in last 30 years. Despite Fiscal 2021 being impacted by COVID-19, our revenue from operations has grown by 7.40% between Fiscal 2020 to Fiscal 2021. The recognition of our product quality and established goodwill has enabled us to penetrate the engineered quartz market and cater to new customers in addition to the Company's existing customer network. Increased acceptance of newer product categories due to improved designs and efficient pricing has further established the Company's reputation.

Strong promoter background, experienced management team and motivated workforce

Our Promoters viz Mr J P Agarwal and Mr Kapil Agrawal, brings to our Company their vision and leadership which has been instrumental in our success. Our experienced professional management team has helped us to offer high standards of customer service and a pleasant shopping experience. Our management team consists of a team of professionals with relevant domain expertise and functional specializations. Further, our management team has been able to complement our expansion with the ability to create adequate systems and processes. Our management team is complemented by a committed work force that enables us to operate, synergies and integrate operations efficiently. Our human resources policies aim to create an engaged and motivated work force, which is essential for our success. We believe in continuous development and have invested in our employees through regular training programs to improve skills and service standards, enhance loyalty and increase productivity.

State-of-the-art manufacturing facilities with strong focus on design and quality

Our Company manufactures majority of our products in-house at our manufacturing units Udaipur and Bangalore. Our manufacturing facilities are fully integrated from raw material handling to finished goods, warehousing process, and are equipped with ultra-modern & latest technology machineries such as Kiln, Spray Dryer, Press, Digital Printing, Glazing Line, etc. enabling us to manufacture various sizes of products, minimize human labour involvement and achieving cost efficiencies. Our machineries are imported as well as domestically procured and match the international quality standards. Over the years, Company has made continuous investments in our manufacturing infrastructure to support our product portfolio requirements. We engage in continuous product development and introduction of new designs to keep up with the trends and meet our customer requirements.

EOU Units

Marble & Granite units of our company are 100% Export Oriented Units (EOU), which provides us a distinctive advantage in imports, taxes & duty benefits, industrial licensing & other deemed export benefits.

Efficiency of the production processes

We are equipped with modern technology at our manufacturing facilities. We are focused on monitoring labour and productivity related issues and have also adopted a policy of constant improvement across all the major processes. Our trained and experienced manpower has also helped in streamlining the production process and increasing the output. We also believe that by following a worker friendly policy we have developed cordial relations with our work force which has also helped in ensuring smooth production process in our facilities.

Established presence in international markets

Our Company's philosophy has always been to manufacture and process quality products which in turn has helped us to build a sustainable export business. As on date, various regions of the USA are our primary focus in international markets. Our exports business constitutes 78% of operating revenue in the Fiscal 2021-22. We have in the recent past sold our products in the United States of America Vietnam, Poland, Slovakia.

BUSINESS STRATEGY

Our Company has been a pioneer in adapting new technologies and venturing into new products. Our Company has established a Wholly Owned Foreign Subsidiary "Taanj Quartz, Inc". in USA which caters to the need of the USA market for the Quartz slabs. This gives the Company an edge to attract customers who might be reluctant to purchase directly from offshore manufacturers. Our Company further seeks to strengthen its production capacities to remain competitive in an overly competitive market. While our Company believes that the USA market itself has enough untapped potential to enable the entity to utilize its production capacity at optimum levels, our Company may also venture into new geographies to diversify its market portfolio. Our Company also explores opportunities in backward integration of its production line. Further, our Company also seeks to assess opportunities to enter into new product lines as and when any reasonable opportunity is identified.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We are steadily increasing our footprints in export market by supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing technique. Our international operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which will help us in the future in penetrating more into global markets with a wide market reach.

Increasing our global footprint and augmenting growth in current geographies

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the markets where we sell our products as well as expand into new geographies.

Over the last several years, our Company has consistently expanded the customer network across the North American continent and this continue to be one of the core strategies of our Company for the future. Having a wider product portfolio and an established brand presence in existing products provides confidence to new customers to engage with our Company. We will continue to focus our efforts in the select geographies such as United States of America and establish a greater presence there. Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering good quality products.

Strengthen our brand value

We intend to make consistent efforts to strengthen our brand “Taanj” globally and enhance our brand visibility by undertaking various initiatives. We intend to make conscious efforts to internationally promote our brand in alignment with domestic promotion and increase our brand visibility and brand recall in line with the growth in our business operations. Our existing business operations and relationships with the existing customers, distributors, dealers, sub-dealers, suppliers, etc., will aid us to expand the brand across the international market. We believe we are well positioned to strengthen the “Taanj” brand in coming time.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment. This will help us improve sales and sell through, allowing us to increase turnover and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory and debtor levels. We believe our focus on costs and network efficiency will help us improve our profitability and return on capital employed.

Continuous Technological upgradation

We continue to further focus on technological upgradation to increase asset productivity, operating efficiencies and strengthen our competitive position. New technologies are constantly being developed for the various processes of manufacturing and we have invested in the latest available technology from international markets in our plant and machinery to ensure that our manufacturing processes are up to date viz. Italian polish machine and calibration line which provides a better finish in the final product. We intend to continue upgrading our technological capabilities to develop systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

Continue to develop talent and skilled workforce and inculcate good business practices

We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We have been successful in building such a team and intend to continue placing special emphasis on managing attrition and attracting, training and retaining our employees.

As of September 30, 2022, we had 180 employees on roll who are working in different functions, we intend to recruit best available talent across various industries, train the m as per our value system and provide them opportunities to learn, experiment and innovate.

We intend to continue to encourage our employees to be enterprising and contribute constructively to our business through effective training and management. Pursuant to our focus on effective training of our employees, we undertake various internal training programmes. Our HR policies focus on improving employee retention and their engagement level in the Company. We have also initiated diversity and gender inclusion hiring to promote positive employee experiences.

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach.

Our Company believes that long-term client relationship, quality products and services fetch better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. We intend to focus on expanding our customer base and forming new long-term relations with our customers by catering to their needs and demands in a timely, efficient and cost-effective manner.

Outcome of Final Review of Department of Commerce, USA

The U.S. Department of Commerce has announced the preliminarily results of its administrative review of quartz surfaces anti-dumping duty in July, 2022. The Commerce has preliminarily determined that the anti-dumping duty during the period of review (POR) December 13, 2019, through May 31,2021, to be 161.56% on 51 Indian companies including our company. Anti-dumping duty on the company will only be effective based on the outcome of final review due in November 2022.

Based on the outcome of final review, the company will implement the best suited strategy. If the Final Review results are favorable for the company, it will continue the engineered stone business and work towards expanding its reach and strengthening its position in the market. If the decision is not favorable for the company, we will lease out the engineered stone plant as exporting engineered stone to USA, which is the largest market for the company will become unfeasible.

BUSINESS OPERATIONS

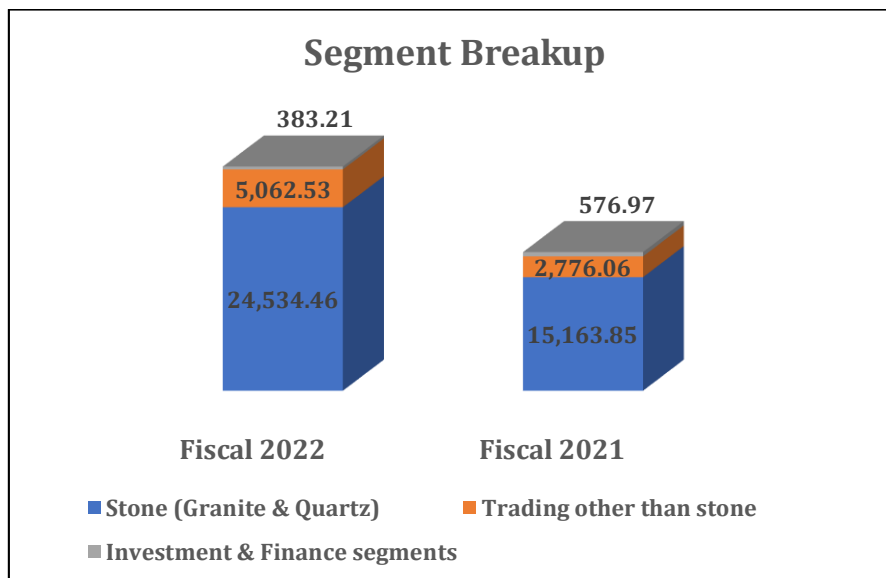
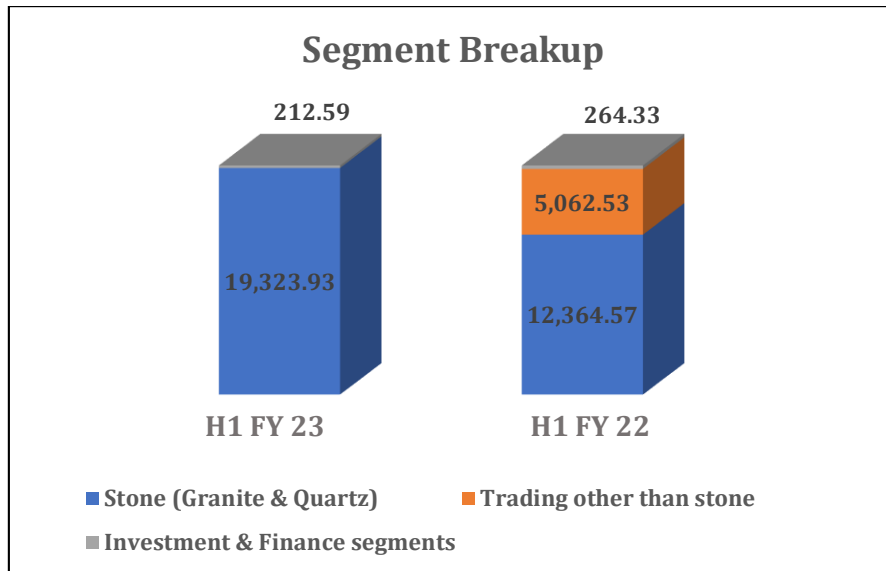
Business Segments

Our business segments can be categorized broadly into Stone (Granite & Quartz), Trading other than stone and Investment & Finance segments

The below mentioned table sets out the production sales turnover of our product categories for the periods indicated below:

(in lakhs)

Segments	H1 FY 23	H1 FY 22	Fiscal 2022	Fiscal 2021
Stone (Granite & Quartz)	19,323.93	12,364.57	24,534.46	15,163.85
Trading other than stone	-	5,062.53	5,062.53	2,776.06
Investment & Finance segments	212.59	264.33	383.21	576.97
Total	19,536.52	17,691.43	29,980.19	18,516.89



Our Products

A. Natural Stones

Natural stones are produced by complex geological processes and include a number of products such as granite, limestone, marble, slate, quartzite, onyx, sandstone, travertine, and others that are quarried from the earth. Natural stones are widely known for their uniqueness, aesthetic appeal, texture, color, and composition as no two natural stones are the same.

Natural stones have wide range of applications in large-scale constructions such as construction of government buildings, churches, monuments, and road construction. Previously, for residential construction projects, wood and brick was a non-debatable choice. However, as per recent trends, natural stone is widely used in residential construction owing to its excellent structural and decorative aspects. Some of the popular applications of natural stones in residential construction include atriums, fireplaces, countertops, bathrooms, entryways and other surfaces. Natural stones are known for the sense of peaceful tranquility that they create and for their distinctive beauty. In addition to aesthetic appeal, natural stones are durable compared to other building materials, such as wood, they can last for decade, and require very little maintenance. These stones are available in a variety of finishes such as antiquated, leather, rugged, polished, and tumbled and in a variety of edges such as bull-nosed, beveled, and others.

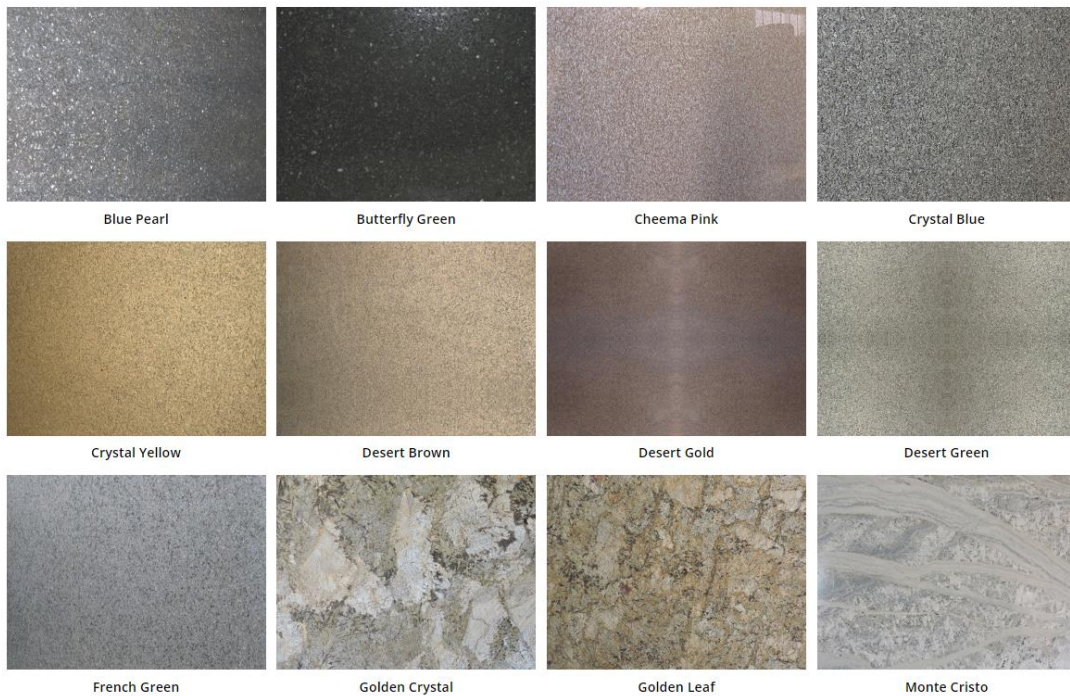
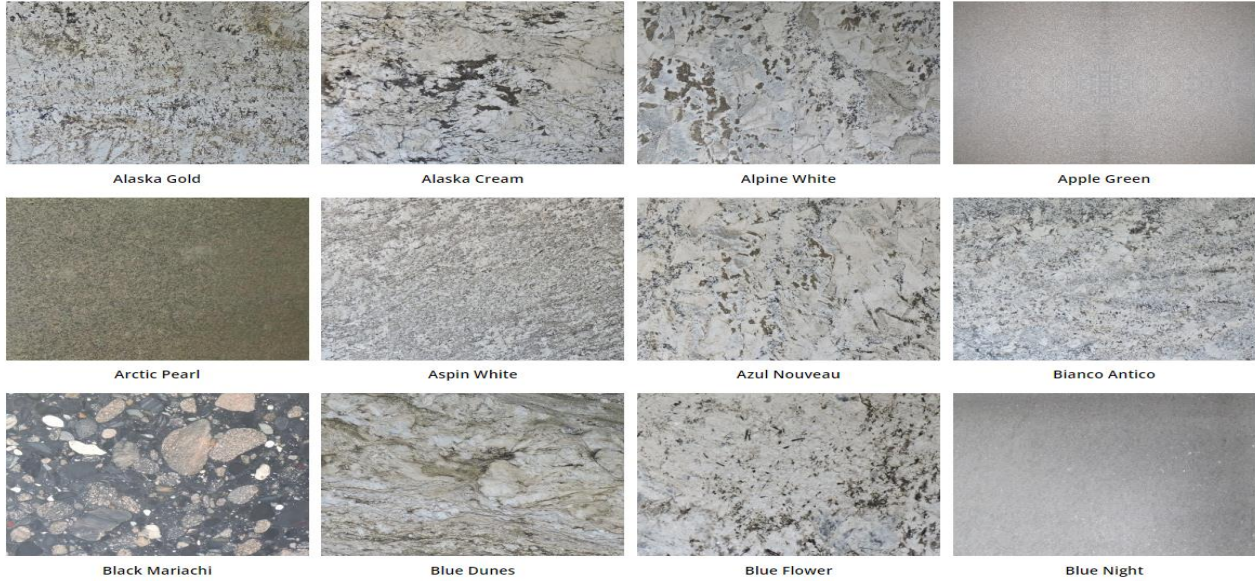
Our Natural Stones segment comprises of Granite.

Granite is an igneous rock, which, during its development, remains in the form of liquid magma in the center of the Earth. Unlike lava, granite does not come to the surface. It remains trapped inside the earth where it slowly cools and gets crystallized. Due to the extreme pressure within the Earth and the absence of atmosphere, the granite formed is very dense and is without any pores. Granite made up of different kinds of ingredients, including common minerals like feldspar, quartz and mica, the proportions of which differ from deposit to deposit.

Quartz, which is the hardest part of granite (ranging between 70% and 80% to the density of a diamond) makes up only between 10-30% of the rock, whereas feldspar (potassium and sodium varieties) makes up 60-80%.

There are different colors of granite comes varying from stark white to beiges, browns, reds, pinks, yellows, greens, blues, grays and blacks. Textures range from clear to coarse and crystalline to heavily veined. These natural materials were created in the earth many years ago by processes and conditions, which gave each of them varying properties and characteristics.

Granite is the most durable of the stone surfaces, which makes it the best choice for a worry-free countertop. It is extremely durable, stain resistant and easy to care for. It is chip resistant and is unlikely to crack or scratch during normal use. Due to these properties, it is widely used for countertops, floor tiles, paving stone, curbing, stair treads, building veneer and cemetery monuments.



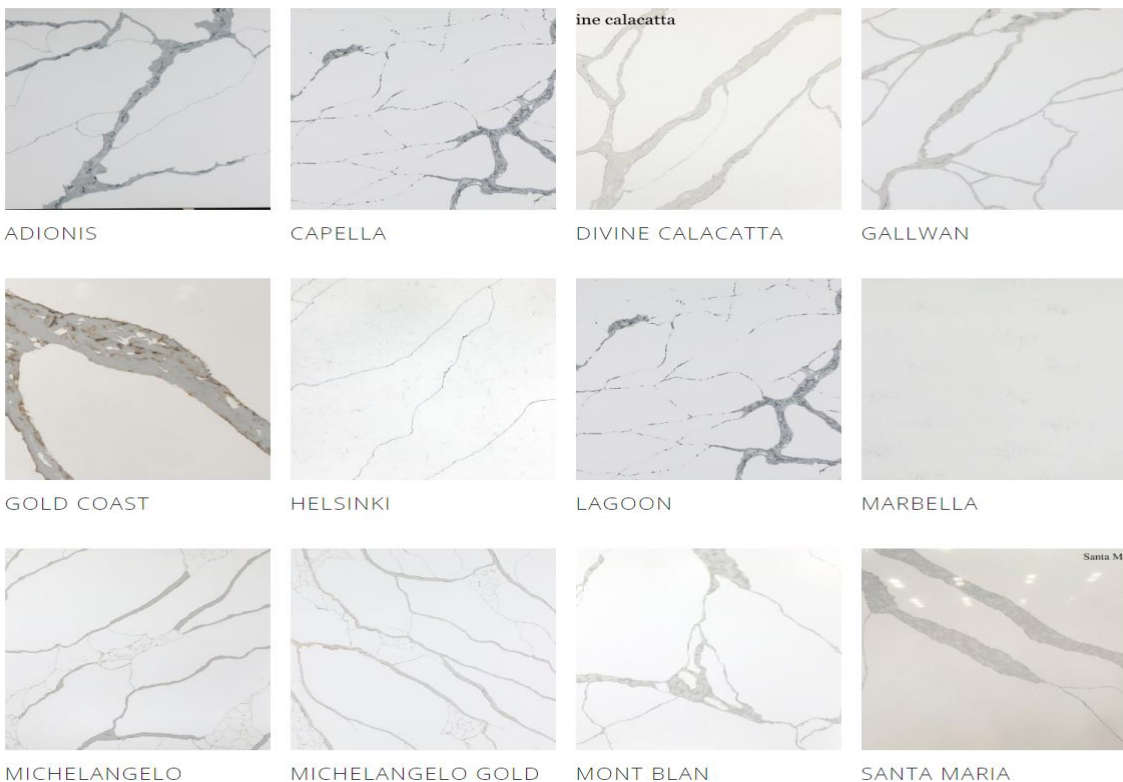
B. Engineered Stones

Quartz is a naturally occurring silicate mineral composed of silicon dioxide (SiO₂). It is one of the most common and available minerals on the earth's surface. Quartz exists naturally in clusters and does not

form huge stone blocks like granite, limestone or other types of rock. This makes it unsuitable for use in its natural state in countertops or other large slab applications. This means that it needs to be converted into another form i.e., engineered quartz, to make it a viable option for such applications.

Engineered quartz, which is also known as "engineered stone", is a product with the word "quartz" referring to a natural mineral. Quartz particles are bound together with resin, pigments, and other elements. The specific composition of engineered quartz varies by brand and hue, and manufacturers promote their slabs' high mineral content. It is made of 90 to 94 percent ground quartz and 6 to 10 percent resins and pigments that are combined into durable and non-porous slabs. The strength of quartz, even in a manufactured form, makes it naturally resistant to abrasion, scratches, dents and even acids without the need for sealants.

One of the appealing features of engineered quartz is its wide variety of colors, patterns, and textures. The surface of manufactured quartz depends on how the quartz is ground: coarsely ground stone produces a flecked appearance, while finely ground has a smooth look. We have created colors and patterns that mimic natural stone, such as marble and granite and have also created cement lookalikes which is an appealing option, since cement itself is prone to cracking, chipping, and staining. Engineered quartz is hard, dense, non-porous, non-abrasive and non-reactive to acids – attributes that make it perfect for use as countertops, backsplashes, walls and even floors. There are also easy to clean and maintain. They are, therefore, ideal for locations such as commercial buildings, canteens, hospital food service areas, etc.



Manufacturing Facilities

We operate out of our engineering stone unit based at Udaipur and granite project unit based at Bangalore. Our Units are supported by infrastructure for storage of raw materials, processing of natural stones and manufacturing of engineered quartz, storage of finished goods, together with a quality control laboratory. The raw materials and finished goods are stored at the respective Units.

We source raw materials from our suppliers based on quality specifications and cost effectiveness. Easily available materials are procured from suppliers located in close proximity to our Units to minimize inward freight costs and reduce the cost of raw materials. Some specific types of grit and powder are imported from preferred suppliers.

The power requirements are met through the local power grids maintained by state power grid. We maintain power back-ups through DG Sets to ensure unhindered production in case of power cuts by the local electricity providers.

Water is procured from the third-party water supplier. To minimize the wastage of water as well as to reduce the water procurement cost, we process the water in effluent treatment plant for recycling and reuse it in the manufacturing process.

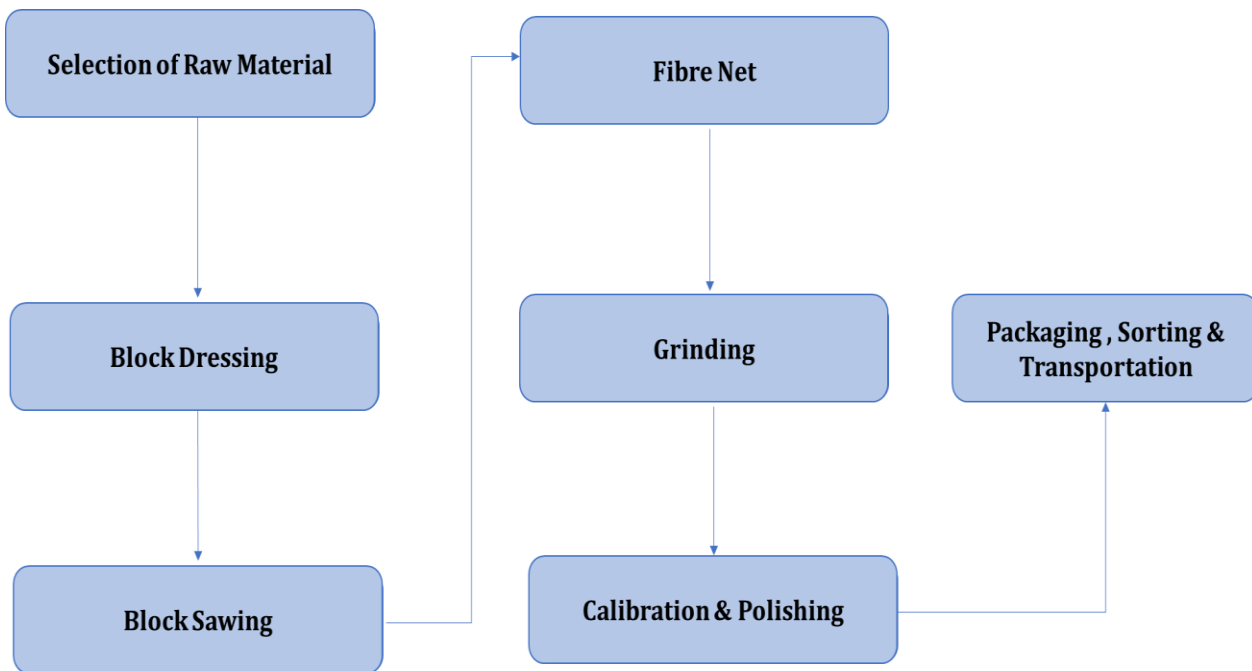


Procurement of Raw Materials

The primary raw materials used in the processing of granite is the block of the stone. Major raw materials for engineered quartz include grit, silica powder, resins and pigments. In Fiscal 2020, 2021 and 2022 the cost of raw materials and components consumed represented 58.09%, 55.53%, and 57.73 % respectively, of our revenue from operations. Raw materials are primarily transported to our Units by road. We source majority of our raw materials from local suppliers based around our Units but also import a few raw materials such as grit and powder, resin.

Process

Natural Stones



i) Selection of Raw Material (Block Selection)

The procedure of processing natural stones commences with selecting the appropriate natural stone block. We are always in search of new material and personally select the quarries for acquiring the stone blocks. If a new stone is found in a quarry, the same is analyzed by our experienced production managers and thereafter, sent to the government recognized labs for testing its hardness, chemical resistance, water absorption and other chemical properties.

ii) Dressing of the blocks:

The outer faces of the raw stone blocks received from the quarries are chiseled and grinded to make them even and thereafter covered with a fiber net to give strength to the block for further processing.

iii) Block Sawing

After the stone blocks have been kept dressed for 1-2 days, multi-wire saw or gang saw is used to cut the blocks into slabs. The thickness of the slab is adjusted as per the requirement.

iv) Fiber net

One face of the cut slab is covered with fiber net of 100 GSM to 150 GSM to give it strength.

v) Grinding

The other face of the slab is ground and epoxy is applied for covering micro pinholes and minor fissures. The process of epoxy application is completed with the help of fully automatic resin line, using different epoxy grades for different materials. As per the requirement, the epoxy may be transparent or dark with different viscosity. After application of epoxy the slab is left to dry for 14- 36 hours for the strengthening it.

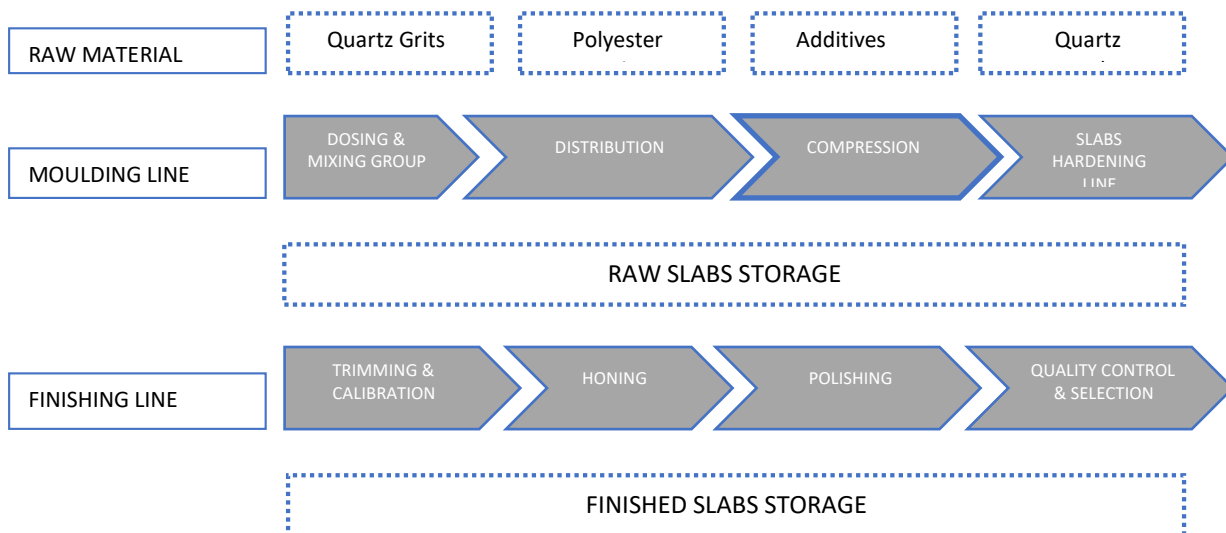
vi) Calibration & Polishing

Each slab is calibrated after cutting to obtain a homogenous thickness. After that, the natural stones are polished using the polishing machine. The process takes place in breaker machine, which is imported from Italy and is one of the best technology available currently.

vii) Packaging, Storing & Transportation

The slabs are packed, labelled and transported to the warehouse for storage or transported to the customer as per the orders.

Engineered Stones



The manufacturing process of engineered stone is provided below in detail:

(i) Raw Material Loading and Mixing

The quartz aggregate and fine powder received from different suppliers is stored in designated bins. These raw materials are screened, weighed as per the required composition and loaded on to the mixer.

Resin and pigments are added to mixers as per the composition and mixed thoroughly. Thus, mixed materials from different mixers are fed into the ring mixer and mixed for further feeding. These are then fed into the homogeneous mixer and subsequently into the ring mixer. These are then broken into uniform particles using the lumps breaker. Finally, the material is passed through a distributor and placed uniformly on a belt on rubber moulds to form a layer of required thickness and slab size. The entire material is laid on the belt and covered with paper sheet in order to protect it from sticking to the press head.

(ii) Pressing

The ready to press slab form material is brought to the pressing machine for pressing. The compressor process comprises of applying vacuum, vibrating and pressing with required vacuum and pressure. This ensures pin hole free and strong slab surface. The pressed slab is led to the oven for further processing,

(iii) Kiln

The raw slab received from the press is fed to a different layer of oven which is fitted with a heating unit having oil as heating media. The slabs are loaded sequentially on to oven floors and exited. First in and first out methodology ensures each slab gets equal and uniform heating. The oven uses new generation technology of equal heating on both the side of slabs. This technology also ensures that the slabs are free from any bends. The slabs unloaded from oven proceed to the dryer for further processing.

(iv) Cooling

The baked slabs received from oven are stored on a horizontal dryer for drying. The dryer is fitted with a blower and lifting device for loading and unloading. The dryer ensures that the slabs are adequately cooled to prevent any physical change. Subsequently, the slabs are loaded on to the slab stand with the help of an automatic loading machine. The slabs are then stored for 24 hours for further curing naturally. After 24 hours of storage, they are processed further in the polishing line.

(v) Finishing Line

The hardened slabs received from press line are fed into the polishing line with the help of a loading machine. The polishing process includes the following sub-processes:

Trimming of slabs on all four sides

- Calibration on back side of slab for uniform bottom surface
- Calibrating the slab on the front side
- Initial polishing in the first polishing machine
- Secondary polishing in the second polishing machine to get the required gloss surface

(vi) Sorting & Lamination

The polished slabs coming out of the polishing line are passed through the sorting line where the slabs are sorted with respect to the desired quality parameters. The slabs are marked with I Grade, II Grade and III Grade depending on the quality parameters. After marking, the slabs are laminated with plastic film for protecting surface till it reaches end customer and applied at its intended use.

Inventory Management

The quantity of our finished products is determined based on a combination of confirmed and expected orders based on past trends and market research. We have an inventory management policy which provides various parameters for maintaining minimum and maximum stock levels of raw materials and finished products. Further, stock is taken physically at defined intervals in accordance with our policy and our existing stock is reviewed at regular intervals for quality purposes. Our finished products are stored onsite at our production Units. Our finished products are packed through semi-automated stackers in wooden crates which are further exported in containers. We also make use of various other software to manage our inventory management.

Customer Network and Sales

We are a B2B processors and manufacturers of natural stones and engineered quartz selling our products across various regions of the United States of America Vietnam, Poland, Slovakia. sales are made directly to our customers and the goods are dispatched directly from our Units to all our customers. We supply our products to the customers on purchase order basis.

Logistics

Our raw materials are primarily transported by road while our finished products are majorly transported through waterways. Our suppliers directly deliver our raw materials to our Units. We outsource the delivery of our products to third-party logistics providers and rely on freight forwarders to deliver our products from our Units to the customers. We do not have long-term contractual relationships with the logistics providers or freight forwarders.

Utilities

Our operations require use of power and water. The power requirement for our Units is sourced from the state power grids. Since our production processes requires uninterrupted supply of power, we have also installed back-up diesel generators at our Units. We require reasonable quantum of water for our production activities. We rely on third party water supplier for the supply of water.

Brand building & Marketing

Our sales and marketing strategy seeks to increase our revenues from new and existing customers. We maintain a dedicated marketing team, which coordinates corporate-level branding efforts that range from personal meetings with the customers to participation in and hosting of industry conferences and events.

With the upcoming trends and new norms developing around the world due to Covid-19 pandemic, we have adopted the internet-based marketing strategy using various social media platforms to reach out to our existing and prospective customers through e-mails containing information about our products and social media campaigns and publishing content like posts, blogs and articles. We believe that this strategy shall be effective in promoting repeat business and growth from within our existing customer base and tapping new markets.

Technical Collaborations

Our Company does not have any technical collaborations as on the date of this Letter of Offer.

Information technology

We believe that an appropriate information technology infrastructure is important to support the growth of our business. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods and orders from customers.

Competition

The market for natural stones in India is fragmented and comprises of many large and small players. The market for engineered quartz currently is catered majorly in the Asia-Pacific region.

We believe the principal elements of competition in our industry are quality, price, and range of the products offered. Our thirty-three years of presence in the market coupled with the high quality and vast range of products as well as our product development capabilities, helps us in having a competitive edge in the stone market.

Quality Control

We place significant emphasis on quality control. We inspect the raw materials that we receive as well as the final products that are dispatched. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material to inventory storage. Our Units have personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the production process and making adjustments accordingly.

Health and Safety

Our activities are subject to pollution control laws and various regulations which govern, among other matters, the storage and handling of raw materials and finished goods.

Insurance

We have purchased insurance in order to mitigate the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods); (ii) motor insurance policies covering the vehicles and (iii) policy covering finished


goods of natural stones and engineered quartz in transit. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers both of our Units.


Employees

As of September 30, 2022, we had an employee base of 180 employees. The following table sets forth a breakdown of our employees by function:

Function	No. of Employees
Management	2
Administration	3
Accounts	5
Dispatch	20
Human Resource	20
Production	120
Store & Purchase	5
Sales & Marketing	5
Total	180

Intellectual Property

We have trademark registered for the logo  **PACIFIC INDUSTRIES LIMITED**. It is registered under the provisions of the Trade Marks Act, 1999 in the name of our company. We have also registered the domain name www.pacificindustriesltd.com

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OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Letter of Offer, our Board comprises Six (6) Directors, of which two are Executive Directors, one is Non-Executive Non- Independent Director and one is Independent Non-Executive Director and one is Additional Independent Non-Executive Director. The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

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

Sr. no	Name, Father's Name, Designation, Address, Occupation, Nationality & DIN	Age (years)	Other directorships
1	Mr. Jagdish Prasad Agarwal S/o Mr. Magni Ram Agarwal Designation: Managing Director Address: 19 - C, Old Fatehpura Udaipur 313 001, Rajasthan, India DIN: 00386183 Date of Birth: 06.10.1957 Term: Reappointed for the 05 Year from September 30, 2019 Period of Directorship: 32 Years Occupation: Business	64 Years	Private Limited Companies <ol style="list-style-type: none"> 1. Rahul Avas Yojna Private Limited 2. Ravi Realmart Private Limited 3. Yash Processors Private Limited 4. Geetanjali Industrial Minerals Private Limited Public Limited Companies <ol style="list-style-type: none"> 1. Pacific Iron Manufacturing Limited 2. Gaze Fashiontrade Limited 3. Gist Minerals Technologies Limited
2.	Mr. Kapil Agarwal S/o Mr. Jagdish Prasad Agarwal Designation: Director & Chief Financial Officer Address: 19 - C, Old Fatehpura Udaipur 313 001, Rajasthan, India DIN: 00386298 Date of Birth: 18.06.1983 Term: Reappointed for the 05 Year from September 30, 2019 Period of Directorship: 16 Years Occupation: Business	39 Years	Private Limited Companies <ol style="list-style-type: none"> 1. Geetanjali Aviation Private Limited 2. Galaxy Realventure Private Limited 3. Geetanjali Buildtech Private Limited 4. Surya Buildsquare Private Limited 5. Bhaskar Buildmart Private Limited 6. Proclaim Constructions Private Limited 7. Geetanjali Investech Holdings India Private Limited 8. Sea Horse Constructions Private Limited 9. Pearl Realhome Developers Private Limited

			10. Pacific Leasing And Research Ltd 11. Steadfast Builders Private Limited 12. Pacific Metasteel Private Limited Public Limited Companies 1. Pacific Iron Manufacturing Limited 2. Pacific Leasing and Research Limited 3. Mount Saroli Infrastructures Limited
3	Mrs. Geetadevi Agarwal W/o Mr. Jagdish Prasad Agarwal Designation: Non-Executive Director Address: 19 - C, Old Fatehpura Udaipur 313 001, Rajasthan, India DIN: 00386331 Date of Birth: 25.03.1960 Term: Appointed from August 14, 2014. Period of Directorship: 6 years Occupation: Service	62 Years	Private Limited Companies 1. Yash Processors Private Limited 2. Rahul Marbles Private Limited 3. Rahul Avas Yojna Private Limited 4. Rajat Hotels And Resorts Private Limited 5. Lakecity Housing Development And Finance Private Limited 6. Geetanjali Industrial Minerals Private Limited Public Limited Companies 1. Pacific Leasing and Research Limited 2. Mount Saroli Infrastructures Limited
4	Mr. Pradeep Kumar Jain S/o Mr. Jinesh Chandra Jain Designation: Non-Executive Independent Director Address: K-5, Gold Leaf Colony, Kota Bawari, Bhuwana, Udaipur - 313 001 DIN: 08303628 Date of Birth: 17.06.1957 Term: Appointed for the Term of 05 Year from September 30, 2019 Period of Directorship: 03 years Occupation: Service	65 Years	Private Limited Companies 1. Blood Hound Security Company Private Limited (Merged With Gaze Fashiontrade Limited) 2. Saha Coloured & Flavour Spirit Manufacturer Private Limited (Merged with Gist Mineral Technologies Limited) Public Limited Companies 1. Pacific Iron Manufacturing Limited 2. Gist Minerals Technologies Limited

5	<p>Mr. Vinod Choudhary S/o Mr. Manohar Lal Choudhary</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: House No 20, Roy Colony 2nd Road, Roy Colony, Katni, Murwara, Katni 483 501 DIN: 03390324 Date of Birth: 24.04.1961 Term: Re-Appointed for the Term of 05 Year From September 30, 2019 Period of Directorship: 06 Years Occupation: Service</p>	61 Years	<p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Bhol Motor Finance Private Limited 2. Geetanjali Infosystems Private Limited 3. Reyansh Infrastructure Private Limited 4. Jai Govind Devji Agro Farming Developers Private Limited <p>Public Limited Companies</p> <ol style="list-style-type: none"> 5. 1. Pacific Iron Manufacturing Limited
6	<p>Mrs. Neelam Tater S/o Mr. Chandra Prakash Tater</p> <p>Designation: Additional Non- Executive Independent Director Address: 808, Ambesh Textile, Bus Stand Road Kunwaria, Rajsamand Rajasthan 313327 DIN: 07653773 Date of Birth: 07.03.1991 Term: Appointed upto next General Meeting Period of Directorship: 12.11.2022 - upto next General Meeting Occupation: Service</p>	31 Years	<p>Private Limited Companies</p> <ol style="list-style-type: none"> 1. Ascom Calcium India Private Limited <p>Public Limited Companies</p> <ol style="list-style-type: none"> 1. Star Housing Finance Limited 2. Indianivesh Limited

Relationship between Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2 (77) of the Companies Act, except as set out below:

Name of the Director	Relation
Jagdish Prasad Agarwal – Kapil Agarwal	Father – Son

Jagdish Prasad Agarwal – Geetadevi Agarwal	Husband – Wife
Kapil Agarwal - Geetadevi Agarwal	Son - Mother

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Jagdish Prasad Agarwal

Mr. J. P. Agarwal, 63 years, one of the promoter Director, is a Chairman & Managing Director of the Company looking after overall affairs of the Company. He surveyed market potential in 1988-89 in various countries like Singapore, Hong Kong, Italy, UAE, France, Germany, China and Switzerland. He also attended International Trade Fair at Carara in Italy and studied various granite processing

units at Italy and China during his visits. He observed huge export potential of the Granite and idea of setting up the unit crystallized. Prior to this, he was engaged in the business of survey, construction, drilling, development of tube wells, RCC overhead water tanks in the state of Rajasthan & Madhya Pradesh.

He had graduated in commerce faculty in 1978 from University of Rajasthan and passed C.A. (Inter) in 1982. During his practical training in a leading Chartered Accountant firm in Mumbai he assisted in consultancy to entrepreneurs and their financial management.

Kapil Agarwal

Mr. Kapil Agarwal is the Executive Director and Chief financial officer. He has joined the Company in 2005 after completion of his studied in business administration from Western Michigan University, USA. He has taken overall charge of the Bangalore unit and has bagged handsome export orders thereby increasing the customer base of the company resulting export growth. He is a Director of our Company since July 23, 2005.

Geetadevi Agarwal

Mrs. Geeta Devi Agarwal is a Non-Executive Director. She has an experience in Business management. She was appointed as a Non-Executive Director of the Board with effect from August 14, 2014.

Pradeep Kumar Jain

Dr. Pradeep Kumar Jain is a Non-Executive Independent Director. Dr. Jain, has wide experience of more than 40 years in the field of Business administration and Management Studies. He has faculty and consultant in various international universities and institute. He was done Ph.D (International Marketing) from university of Rajasthan in the year 1982.

Vinod Choudhary

Mr. Vinod Choudhary is a Non -Executive Independent Director. He has an Commerce Graduate and possesses appropriate skills, experience and knowledge; inter alia, in the field of Finance.

Mrs. Neelam Tater

Mrs. Neelam aged 31 years, is a fellow member of the Institute of Chartered Accountants of India and also a Company Secretary. She has rich Professional Experience in CA Practice of approximately 4 years and in employment 1 year. She is having hands on experience across Income tax filing, Finance Management, Risk review, Internal Control over Financial Reporting. She comes with a rich professional experience encompassing audit, risk management and business/management advisory services to diverse mix of corporate clients including banking and financial institutions

Past Directorships in listed companies

None of the Directors is or were a director of any listed company during the last five years preceding the date of filing of the Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company during the last ten years preceding the date of filing of the Letter of Offer, which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Other confirmations

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorship. We confirm that as on the date of this Letter of Offer, there are no arrangements or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors as a member of the senior management.

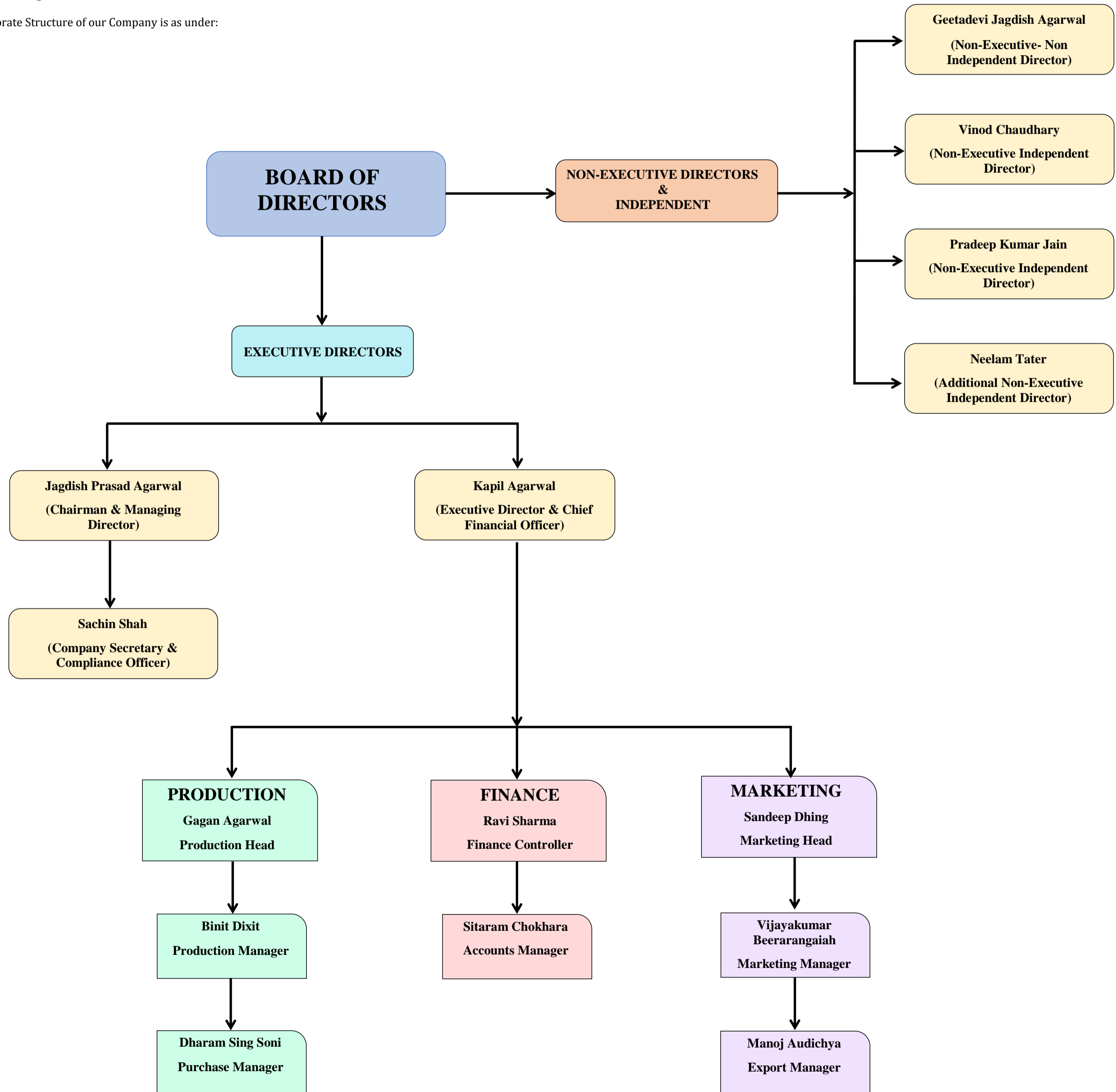
Details of directorship in companies suspended or delisted

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

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 in the last ten years immediately preceding the date of filing of this Letter of Offer.

Management Organisation Structure

The Corporate Structure of our Company is as under:



OUR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

In addition to our Managing Director, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Sr. No.	Name of Key Management Personnel	Designation
1.	Kapil Agarwal	Chief Financial Officer
2.	Sachin Shah	Company Secretary and Compliance Officer

In addition to the persons named above, the following are the Senior Management Personnel of our Company:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Gagan Agarwal	Production Head
2.	Sandeep Dhing	Marketing Head

Relationship among Key Management Personnel and among Key Management Personnel and Directors

Other than as described below, our Key Management Personnel are neither related to each other nor related to any of the Directors:

Name	Relation
Jagdish Prasad Agarwal – Kapil Agarwal	Father – Son
Jagdish Prasad Agarwal – Geetadevi Agarwal	Husband – Wife
Kapil Agarwal - Geetadevi Agarwal	Son - Mother

All our Key Managerial Personnel are permanent employees of our Company.

SECTION VII - FINANCIAL INFORMATION FINANCIAL STATEMENTS

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Unaudited Consolidated Financial Statements of our Company as at and for the six month period ended September 30, 2022.	175

Independent Auditor's Report on Audit of Consolidated Financial Results

To
The Members of
PACIFIC INDUSTRIES LIMITED

Opinion

We have audited the accompanying consolidated financial statements of **PACIFIC INDUSTRIES LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results include the financial results of the following entities:

- a. Gaze Fashiontrade Limited(Wholly Owned Subsidiary)
- b. Gist Minerals Technologies Limited(Wholly Owned Subsidiary)
- c. Taanj Quartz Inc(Wholly Owned Foreign Subsidiary)

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 period. 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.

<u>The Key Audit Matter</u>	<u>How was the matter addressed in our audit</u>
<u>Revenue Recognition</u>	
Revenue is one of the key profit drivers. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, around dispatches/deliveries, inventory reconciliations and substantive testing for cut-offs and analytical review procedures.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are

reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 but not for the purpose of expressing a opinion on whether the company and its subsidiary company has adequate internal financial control with reference to financial statement in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of two subsidiaries included in the consolidated financial results whose financial information reflect total assets of Rs. 26765.15 lacs, net assets of Rs. 26101.37 lacs as at March 31, 2022, total revenue of Rs. 1532.30 lacs and total net profit after tax of Rs. 653.23 lacs for the year ended March 31, 2022 as considered in consolidated financial results. These financial statements have been audited by other auditors/ independent firm of accountants whose reports have been furnished to us by the other auditors/ independent firms of accountants/ management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors/ independent firms of accountants and the procedures performed by us.
2. The Consolidated Financial Results include the unaudited financial statements of one Foreign subsidiary whose financial statements reflect total assets of Rs. 220.05 lacs, net assets of Rs. 20.47 lacs as at March 31, 2022, total revenue of Rs.96.54 lacs and total net profit after tax of Rs. 3.76 lacs for the year ended March 31, 2022, as considered in the Consolidated Financial Results. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on such unaudited financial statements.

Report on Other Legal and Regulatory Requirements

1. The report does not include a statement on the matters specified in paragraph 3 & 4 of the companies (Auditor`s Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion the said order is not applicable to the presentation of Consolidated Financial Statements
 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
-

- e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Boards of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure II” which is based on the auditors’ reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 38 in the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities (“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 Refer Note 44 in the consolidated financial statements,
 - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“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;- Refer Note 44 in the consolidated financial statements.

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.

- v. The company has not declared/paid dividend during the current financial year, hence this clause is not applicable

For Ravi Sharma & Co.
Chartered Accountants
FRN: 0015143C

(CA Paras Bhatia)
Partner
M.No. 418196
UDIN: 22418196AJVGSN7721

Date: 28th May, 2022
Place: UDAIPUR

Annexure II to the Independent Auditors' Report

Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Pacific Industries Limited.

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

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended March 31, 2022, We have audited the internal financial controls over financial reporting **PACIFIC INDUSTRIES LIMITED** ("the Company") as of March 31, 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 Board of Directors of the company 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". 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls 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 judgement, 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

A 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. A 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

Provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the company has maintained , in all material respects , adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 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 Ravi Sharma & Co.
Chartered Accountants
FRN: 0015143C

(CA Paras Bhatia)
Partner
M.No. 418196
UDIN: 22418196AJVGSN7721
Date:28th May 2022
Place: Udaipur

Consolidated Balance Sheet as at March 31, 2022

S. No.	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
	<u>ASSETS</u>			
(1)	Non-current assets			
	(a) Property, Plant & Equipment	3	11,477.57	8,935.54
	(b) Capital work-in-progress	3	566.30	2,369.28
	(c) Other Intangible Asset	3	1.17	0.97
	(d) Financial Assets			
	(i) Investments	4	7,337.14	7,239.60
	(ii) Loans & Advances	5	5,980.45	3,672.50
	(e) Other non-current assets	6	1,694.12	1,731.85
	Total Non-current Asset		27,056.75	23,949.74
(2)	Current assets			
	(a) Inventories	7	7,444.09	6,711.92
	(b) Financial Assets			
	(i) Investments	4	2,796.93	2,246.28
	(ii) Trade Receivable	8	4,338.40	4,108.54
	(iii) Cash and Cash equivalents	9	347.06	1,126.15
	(iv) Other Bank Balances	10	2,261.08	1,999.67
	(v) Loans & Advances	5	3,719.52	4,867.28
	(vi) Other Financial Asset	11	3.26	4.19
	(c) Other current assets	6	3,090.99	2,503.75
	Total Current Asset		24,001.33	23,567.77
	Total Assets		51,058.08	47,517.51
II.	<u>EQUITY AND LIABILITIES</u>			
(1)	EQUITY			
	(a) Equity Share capital	12	344.63	344.63
	(b) Other Equity	13	36,352.29	34,787.61
	Total Equity		36,696.93	35,132.24
(2)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	2,543.45	2,232.83
	(b) Provisions	15	328.68	315.51
	(c) Deferred tax liabilities (Net)	16	319.92	170.88
	Total Non-current Liabilities		3,192.05	2,719.22
(3)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	4,722.78	2,724.21
	(ii) Trade Payables	18	-	-
	(A) MSME		2,014.31	-
	(B) Others		2,714.19	3,720.05
	(iii) Other Financial Liabilities	19	714.78	1,954.68

(b) Other current liabilities	20	559.78	848.41
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(c) Provisions	15	136.16	106.00
(d) Current tax liabilities (net)	21	307.10	312.70
Total Current Liabilities		11,169.10	9,666.05
Total Liabilities		14,361.15	12,385.27
Total Equity and Liabilities		51,058.08	47,517.51

Significant accounting Policies 1 & 2

Notes forming Part of Financial Statements 1 to 53

As per our Report of even date

**For and on behalf of Board of Directors
Pacific Industries Limited**

For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(J.P. Agarwal)
 (Chairman & Managing Director)
 DIN:00386183

(Kapil Agarwal)
 (Executive Director & CFO)
 DIN:00386298

(Paras Bhatia)
Partner
M.No. 418196

(Sachin Shah)
 (Company Secretary)
 (PAN : CFLPS2451B)

Date: 28.05.2022

Place: Udaipur

Consolidated Statement of Profit & Loss for the Year Ending March 2022

S. No.	Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
I.	Revenue from operations	22	28,356.42	17,825.92
II.	Other income	23	985.11	760.51
III.	Total Revenue (I + II)		29,341.53	18,586.43
IV.	Expenses:			
	Cost of Materials Consumed	24	11,342.45	6,103.95
	Purchases of Stock-in-Trade	25	5,072.41	3,096.44
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(464.70)	(861.95)
	Employee Benefits Expense	27	977.17	926.12
	Finance costs	28	351.87	289.22
	Depreciation and amortization expense	29	1,079.81	844.20
	Other expenses	30	8,826.31	6,689.27
	Total expenses		27,185.33	17,087.24
V.	Profit before exceptional items and tax (III-IV)		2,156.21	1,499.19
VI.	Exceptional items		-	-
VII.	Profit before tax (V- VI)		2,156.21	1,499.19
VIII.	Tax expense:			
	(1) Current tax	32	457.10	293.00
	(2) Deferred tax and Other Taxes	32	107.43	164.85
	Total Tax Expenses		564.53	457.85
IX.	Profit (Loss) for the period		1,591.68	1,041.34
	Other Comprehensive Income			
(a)	(i) Items that will not be reclassified subsequently to profit or loss		56.60	16.55
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		(10.66)	(2.89)
(b)	(i) Items that will be reclassified subsequently to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
	Total Other Comprehensive income		45.94	13.66
	Total Comprehensive Income for the year		1,637.62	1,055.00

X.	Earnings per equity share:			
	(1) Basic	33	46.19	30.22
	(2) Diluted	33	46.19	30.22

Significant accounting Policies 1 & 2
Notes forming Part of Financial Statements 1 to 53

As per our Report of even date

**For and on behalf of Board of Directors
Pacific Industries Limited**

For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(J.P. Agarwal)
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(Paras Bhatia)
Partner
M.No. 418196

(Sachin Shah)
(Company Secretary)
(PAN : CFLPS2451B)

Date: 28.05.2022

Place: Udaipur

Audited Consolidated Cash Flow Statement for the year ended 31st March, 2022

Sr no	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A	Cash flow from Operating Activities		
	Profit before income tax	2,156.21	1,499.19
	Adjustment for		
	Depreciation and amortisation expenses	1,079.81	844.20
	Pre-Operative Expenses	-	-
	Profit on sale of Fixed Assets	2.69	-
	Loss on sale of Fixed Assets	-	-
	Loss on FVTPL	-	-
	Loss on Sale Of Share	-	-
	Finance Costs	351.87	289.22
	Actuarial Gain/ (Loss)	(6.26)	13.66
	Interest Income	(992.54)	(648.16)
	Change in operating assets and liabilities		
	(Increase) in Inventories	(732.18)	(1,127.26)
	(Increase)/Decrease in Trade receivables	(176.63)	(231.47)
	(Increase)/Decrease in financial assets	0.93	727.92
	(Increase)/Decrease in Other Current Assets	(587.24)	(491.56)
	Increase/(Decrease) in Provisions	(3.64)	43.45
	Increase/(Decrease) in Trade Payables	1,008.45	838.69
	Increase/(Decrease) in Other Current Liabilities	(288.63)	447.28
	Increase/(Decrease) in Other Financial Liabilities	(749.66)	268.59
	Cash generated from operations	1,063.18	2,473.76
	Income Tax paid	(421.09)	(3.80)
	Net cash flow from operating activities	642.09	2,469.97
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(3,053.80)	(1,963.94)
	Sale of Fixed Assets	10.59	-
	(Increase)/Decrease in Fixed Deposits	(261.91)	(1,242.59)
	(Increase)/Decrease in Long term Loans & advances	(2,307.95)	(1,572.19)
	(Increase)/Decrease in Loans & Advances	1,148.26	(3,005.80)
	(Increase)/Decrease in Other Non-current Assets	37.73	(48.30)
	(Purchase)/Sale of Investments	(675.17)	5,198.81
	Interest Income	992.54	648.16
	Net cash flow from investing activities	(4,109.71)	(1,985.86)

C	Cash flow from financing activities	310.62	(3.81)
	Increase in Long Term Borrowings	2,729.79	712.91
	Increase in Short Term Borrowings	(351.87)	(289.22)
	Finance Costs		
	Net cash flow from financing activities	2,688.54	419.87
	Net increase / (decrease) in cash and cash equivalents	(779.08)	903.99
	Cash and cash equivalents at the beginning of the year	1,126.15	222.16
	Cash and cash equivalents at the end of the year	347.07	1,126.15

Significant accounting Policies 1 & 2
 Notes forming Part of Financial Statements 1 to 53

As per our Report of even date

**For and on behalf of Board of Directors
 Pacific Industries Limited**

For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(J.P. Agarwal)
 (Chairman & Managing Director)
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(Paras Bhatia)
Partner
M.No. 418196

(Sachin Shah)
 (Company Secretary)
 (PAN : CFLPS2451B)

Date: 28.05.2022
Place: Udaipur

Notes to the Consolidated Ind AS Financial Statement for the year ended 31st March 2022	
Note 1: Corporate Information	
	Pacific Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in the export, manufacturing & trading of Granite tiles & slabs and Quartz Slabs and other goods and commission activities.
Note 2: Significant accounting policies	
	The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1 Basis of Preparation	
	In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016. These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on 28th May 2022 .
2.2 Basis of measurement	
	These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. 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 an orderly transaction between market participants at the measurement date. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
2.3 Functional and Presentation Currency	
	The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for its operations. All financial information presented in INR has been rounded to the nearest lakhs with two decimal places unless stated otherwise.
2.4 Use of Estimates and Judgements	
	The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year.

	<p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and future periods affected.</p> <p>Significant judgments and estimates relating to carrying value of assets and liabilities include useful lives of Property, plant and equipment, impairment of Property, plant and equipment, investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.</p>
2.5	Classification of Assets & Liabilities as Current & Non-Current
	<p>All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.</p>
2.6	Recognition of Revenue and Expenditure
	<p>Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.</p> <p>Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.</p>
	2.6.1 Sale of Goods
	<p>Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.</p>
	2.6.2 Interest
	<p>Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate method. Interest income is included under the head "Other Income" in statement of profit and loss.</p>
	2.6.3 Expenses
	<p>All expenses are charged in statement of profit and loss as and when they are incurred.</p>
2.7	Property, Plant & Equipment and Depreciation
	<p><i>Property, Plant & Equipment</i></p> <p>Property, plant and equipment are initially recognized at cost including the cost directly attributable for bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if</p>

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	<p>any. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.</p> <p>When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.</p> <p>Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.</p> <p><i>Depreciation</i></p> <p>Depreciation is provided on a Written Down Value basis except for New Quartz Plant (Taanj), where Depreciation is provided on Straight Line method over the estimated useful life of all the assets as prescribed in Schedule II of the Companies Act, 2013. The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.</p> <p>Depreciation is not recorded on capital work-in progress until construction and installation is completed and the asset is for intended use.</p>
2.8	Inventory
	<p>Inventories consists of Raw Material, Work In Progress, Finished Goods , Scrap & Stores & Spares. Inventories are valued at the lower of cost or net realisable value. Cost is determined on weighted average basis.</p> <p>Raw materials & Stores & Spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition on the weighted average basis.</p> <p>Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity on a weighted average basis. Cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.</p> <p>Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.</p>
2.9	Employee benefits
	a) Short Term Employee Benefits
	<p>All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.</p>

	b) Defined Contribution Plan
	The Company makes defined contribution to Provident Fund managed by Government Authorities, which are accounted on accrual basis as expenses in the statement of Profit and Loss. The Company has no obligation other than the contribution payable to the provident fund.
	c) Defined Benefit Plan
	The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the projected unit credit method, carried out as at balance sheet date. The obligation determined as aforesaid less the fair value of the Plan assets is reported as a liability or assets as of the reporting date. Actuarial gain or losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.
	d) Other Long-Term Benefits
	Provision for other long term benefits in the form of long term compensated absences (leave encashment) are accounted for on the basis as if it becomes due for payment on the last day of accounting year.
2.10	Income Tax
	Tax expenses comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent it relates to the items recognised directly in equity or in OCI.
	<i>Current tax</i>
	Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.
	<i>Deferred Tax</i>
	Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.
	Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized. Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

	<p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.</p>
	<p>Presentation of current and deferred tax:</p>
	<p>Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.</p> <p>The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.</p>
2.11	Lease
	<p>The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p>
	<i>As a lessee</i>
	<i>a) Right-of-use assets</i>
	<p>The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.</p>
	<i>b) Lease liabilities</i>
	<p>At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.</p>

	<i>c) Short-term leases and leases of low value assets</i>
	The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment(i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchaseoption). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.
	<i>As a lessor</i>
	Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.
2.12	Provisions, Contingent Liabilities and Contingent Assets
	<p>Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.</p> <p>Contingent Liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or where no reliable estimate is possible. Contingent liabilities are not recognised in financial statements but are disclosed in notes.</p> <p>Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in financial statements and are disclosed in notes when it is virtually certain that economic benefits will inflow to the Company.</p>
2.13	Foreign Currency Transactions
	<p>Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.</p> <p>Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting date are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.</p> <p>Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rate at date of initial transactions, are not retranslated.</p> <p>In respect of forward contracts, the premium or discount on these contracts is recognized as income or expenditure over the period of the contract. Any profit or loss arising on the cancellation or the renewal of such contracts is recognized as income or expense for the year.</p>

2.14	<p>Impairment</p> <p>Non-financial assets</p> <p>The carrying amount of non- financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expenses in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.</p> <p>For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.</p> <p>An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.</p> <p>Financial Assets</p> <p>The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.</p>
2.15	<p>Government Grant</p> <p>Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.</p> <p>Government grants in the nature of export incentives are accounted for in the period of export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.</p> <p>When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities</p> <p>When the grant has been received in relation to depreciable asset then the amount of grant will be reduced from the actual cost of the asset or the written down value of the block of asset.</p>

2.16	Earning Per Share (EPS)
	Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
2.17	Cash Flow Statement
	Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.
2.18	Cash and Cash Equivalents
	Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
2.19	Borrowing Costs
	Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs other than attributable to qualifying assets are recognised in the profit or loss in the period in which they incurred.
2.20	Financial Instruments
	The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and financial 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 or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.
	Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and loss.
	2.21.1 Financial assets
	All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

	Classification of Financial Assets
	<i>(i) Financial assets carried at amortised cost</i>
	A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.
	<i>(ii) Financial assets at fair value through other comprehensive income</i>
	A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.
	<i>(iii) Financial assets at fair value through profit or loss</i>
	A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.
	<i>(iv) Financial liabilities</i>
	Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
	<i>(v) Equity instrument</i>
	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.
	<i>vi) Derecognition</i>
	The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.
	<i>vii) Offsetting of financial instruments</i>
	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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.
2.21	Segment Reporting
	Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and the Board of Directors of the company considers and maintains Stones - Granite and Quartz, trading other than Granite & Quartz, Investment and Finance & Other services as the Business Segments of the Company.
2.22	Fair Value Measurement
	The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

	<p>transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.</p> <p>All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <p>Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities</p> <p>Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.</p> <p>Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.</p>
2.23	Principles for consolidation
	<p>Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.</p> <p>The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, Income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.</p>
2.24	Business combinations
	<p>The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12- Income taxes and Ind AS 19- Employee benefits, respectively.</p> <p>Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of acquirer's previously held equity instrument in the acquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.</p> <p>The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquirer's Identifiable Net Assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.</p>

Consolidated Statement of Changes in Equity for the period April 2021 to March 2022

(1) Current reporting period

Balance at the beginning of the current reporting period-1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of current reporting period-31st March 2022
344.63	-	-	-	344.63

B. Other Equity

(1) Current reporting period

	Share application money pending allotment	Equity component of compounded financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation surplus	Exchange Differences on translating the financial statements of a foreign operation	Other items of other Comprehensive Income (specify nature)- Remeasurement of net defined benefit Plans	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves (Specify Nature)	Retained earnings								
Balance at the beginning of the current reporting period-1st April 2021			24,843.34	2,283.36		7,158.23		523.67				(20.98)		34,787.61
Changes in accounting policy or prior period errors														-
Restated balance at the beginning of the current reporting period			(77.22)											(77.22)
Total Comprehensive Income for the current year								62.74				(12.52)		50.22
Dividends														-
Transfer to retained earnings						1,591.68								1,591.68
Any other change (to be specified)- ISSUE OF CCD														-
Balance at the end of the current reporting period-31st March 2022	-	-	24,766.12	2,283.36	-	8,749.90	-	586.41	-	-	-	(33.50)	-	36,352.29

Consolidated Statement of Changes in Equity for the period April 2020 to March 2021

(1) Current reporting period

Balance at the beginning of the previous reporting period-1st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of previous reporting period-31st March 2021
344.63	-	-	-	344.63

B. Other Equity

(1) Current reporting period

	Share application money pending allotment	Equity component of compounded financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation surplus	Exchange Differences on translating the financial statements of a foreign operation	Other items of other Comprehensive Income (specify nature)- Remeasurement of net defined benefit Plans	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves (Specify Nature)	Retained earnings								
Balance at the beginning of the previous reporting period- 1st April 2020			24,843.34	2,283.36		6,116.89		469.05				(34.64)		33,677.99
Changes in accounting policy/prior period errors														-
Restated balance at the beginning of the previous reporting period														-
Total Comprehensive Income for the previous year								33.26						33.26
Dividends														-
Transfer to retained earnings						1,041.34		21.36				13.66		1,076.36
Any other change (to be specified)- Right Issue														-
Balance at the end of the previous reporting period- 31st March 2021	-	-	24,843.34	2,283.36	-	7,158.23	-	523.66	-	-	-	(20.98)	-	34,787.61

Note: Remeasurment of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus

Nte 3 :Property, Plant & Equipments												
FY 2021-22												
Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2022										(Rupees in Lakhs)		
Particulars	Tangible Assets									Capital Work in Progress	Intangible Assets - Software	Grand Total
	Land	Building	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles	Mining Equipments	Electrical Installation	Total			
Gross Carrying value as at April 1, 2021	791.25	2,986.97	11,601.80	195.67	95.77	1,191.33	1,222.96	368.73	18,454.47	2,369.28	1.89	20,825.64
Additions	159.98	144.25	2,977.96	19.85	7.84	71.11	-	248.52	3,629.52	1,414.40	0.43	5,044.35
Deletions	-	-	40.74	-	-	5.95	-	-	46.69	3,217.38	-	3,264.06
Gross Carrying value as at March 31, 2022	951.23	3,131.23	14,539.02	215.52	103.61	1,256.49	1,222.96	617.25	22,037.30	566.30	2.32	22,605.93
Accumulated depreciation as at April 1, 2021	-	1,010.70	6,399.31	139.72	65.55	683.66	1,152.15	67.89	9,518.99	-	0.92	9,519.91
Depreciation	-	101.48	747.89	11.88	10.92	160.61	0.09	46.71	1,079.58	-	0.23	1,079.81
Accumulated depreciation on deletions	-	-	33.13	-	-	5.65	-	-	38.78	-	-	38.78
Accumulated depreciation as at March 31, 2022	-	1,112.18	7,114.07	151.60	76.47	838.62	1,152.24	114.61	10,559.79	-	1.15	10,560.94
Carrying Value as at March 31, 2022	951.23	2,019.05	7,424.96	63.93	27.16	417.88	70.72	502.65	11,477.57	566.30	1.17	12,045.04
Carrying Value as at March 31, 2021	791.25	1,976.28	5,202.50	55.96	30.23	507.68	70.81	300.84	8,935.54	2,369.28	0.97	11,305.79
Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021										(Rupees in Lakhs)		
Particulars	Tangible Assets									Capital Work in Progress	Intangible Assets - Software	Grand Total
	Land	Building	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles	Mining Equipments	Electrical Installation	Total			
Gross Carrying value as at April 1, 2020	683.57	2945.00	11326.54	180.82	73.50	724.97	1222.96	345.30	17502.66	3.00	1.89	17507.55
Additions	107.68	41.97	275.26	14.85	22.27	466.36	-	23.43	951.81	2369.28	-	3321.09
Deletions	-	-	-	-	-	-	-	-	-	3.00	-	3.00
Gross Carrying value as at March 31, 2021	791.25	2986.97	11601.80	195.67	95.77	1191.33	1222.96	368.73	18454.47	2369.28	1.89	20825.64
Accumulated depreciation as at April 1, 2020	0.00	906.48	5880.25	128.02	58.77	523.66	1147.19	30.78	8675.16	-	0.63	8675.79
Depreciation	0.00	104.22	519.06	11.70	6.78	160.00	4.96	37.11	843.83	-	0.29	844.12
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	0.00	1010.70	6399.31	139.72	65.55	683.66	1152.15	67.89	9518.99	-	0.92	9519.91
Carrying Value as at March 31, 2021	791.25	1976.28	5202.50	55.96	30.23	507.68	70.81	300.84	8935.54	2369.28	0.97	11305.79

Carrying Value as at April 1, 2020	683.57	2038.53	5446.30	52.81	14.74	201.32	75.77	314.53	8827.55	3.00	1.28	8831.83
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Details of Immovable Properties not held in name of the Company						
Title deeds of Immovable Properties not held in name of the Company						
Relevant line item in the Balance sheet	Description of item of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of pomoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Land*	64.76	NA	Yes	NA	NA
	Building	NA	NA	NA	NA	NA
Investment in Property	Land	NA	NA	NA	NA	NA
	Building	NA	NA	NA	NA	NA
Non Current Asset held for sale	Land	NA	NA	NA	NA	NA
	Building	NA	NA	NA	NA	NA
Others		NA	NA	NA	NA	NA

* The title deed of immovable properties are held in the name of company except the Land having cost of Rs. 64.76 lakhs in Bangalore held in the name of past Director of the company

Capital-Work-in Progress (CWIP) ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	566.30	-	-	-	566.30
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development Ageing Schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NA				
Projects temporarily suspended					

Intangible assets under development Completion schedule

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	NA			
Project 2				

Note-4 Financial Asset : Investment		(Rupees in Lakhs)		
Particular	Long Term		Short Term	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
I. Investment in Equity Instruments				
Quoted				
<i>(A) Designated and carried at FVTOCI</i>				
400 Equity Shares of Federal Bank Ltd. of Rs. 10/- each Fully Paid-up	0.39	0.30	-	-
100 Equity Shares of Liberty Shoes Ltd. of Rs. 10/- each Fully Paid-up	0.15	0.13	-	-
2,400 Equity Shares of Bharat Immunologicals Biologicals Corporation Limited of Rs. 10/- each Fully Paid-up	0.67	1.09	-	-
3,200 Equity Shares of Bajaj Finance Ltd. of Rs. 2/- each Fully Paid-up	232.29	164.76	-	-
Unquoted				
<i>(A) Designated and carried at FVTOCI</i>				
96,500 Equity Shares of Delite Buildpro Pvt Ltd @ Rs. 10/- each Fully Paid-up	100.75	100.81	-	-
98,500 Equity Shares of Deccan Buildwell Pvt Ltd @ Rs. 10/- each Fully Paid-up	109.41	109.43	-	-
65,135 Equity Shares of Shephali Hotel and Resorts Pvt Ltd @ Rs. 10/- each Fully Paid-up	50.26	50.26	-	-
87,700 Equity Shares of Ruby Infratech Pvt Ltd @ Rs. 10/- each Fully Paid-up	84.28	89.28	-	-
99,800 Equity Shares of Vighnhartha Vincom Pvt Ltd @ Rs. 10/- each Fully Paid-up	110.28	110.38	-	-
74,875 Equity Shares of Divya Finlease Pvt Ltd @ Rs. 10/- each Fully Paid-up	64.22	64.21	-	-
2,86,787 units of Next Orbit RE Scheme @ Rs. 10/- each Fully Paid-up	2,799.99	2,799.99	-	-
10000 Equity shares of Spicy Entertainment @ Rs. 10/- each Fully Paid-up	-	-	0.41	0.20
200 Equity shares of Pacific Iron Manufacturing Limited @ Rs. 10/- each Fully Paid-up	0.04	-	-	-

II. Investment in Preference Shares				
(A) <u>Measured at Amortised Cost</u>				
26,00,000 Convertible Redeemable Preference Shares of Ojaswi Marble & Granite Pvt Ltd. @ Rs 76/- each	1,976.00	1,976.00	-	-
III. Investment in Government Securities				
National Saving Certificate (Pledge with the Govt.)	0.39	0.39	-	-
IV. Other Investment				
(A) <u>Designated and carried at FVTOCI</u>				
Investment in IFCI Portfolio	0.34	0.31	-	-
a) 5050 Shares Confidence Finance and 0.255 0.249 Trading Ltd of Rs 10/- each Fully Paid up				
b) 1100 Shares Housing Development & Infra. 0.084 0.051 Ltd of Rs 1/- each Fully Paid up				
c) 1.034 Units of Nippon india Mutual Fund - 0.010				
d) 10 Shares of Goldline International Finvest Ltd (-) (-)				
*Note-() Denotes Previous Year Figures				
Gamut Tradecom LLP (19% Share in Profit/Loss)	744.26	708.84	-	-
Chaitanya International Minerals LLP (15% Share in Profit/Loss)	-	-	-	-
Investment in Emerald Buildhome (16.50% Share in Profit/Loss)	1,063.43	1,063.43	-	-
Krishna Marble (15% Share in Profit/Loss)	-	-	2,796.52	2,246.08
Total	7,337.14	7,239.60	2,796.93	2,246.28
Note 4.1 Fair Value of Investments in Unquoted securities/other interest in Gamut Tradecom LLP, Chaitanya International Minerals LLP and Krishna Marbles has been determined on the basis of the latest available audited/unaudited financial statements for the Financial year 2021-22/2020-21 of the respective investment.				

Note-5 Financial Asset: Loans & Advances				
Particular	Long Term		Short Term	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Unsecured considered goods				
Deposits & Other Recoverables	192.00	192.11	8.93	24.71
Duties & Taxes Under Protest	-	-	71.53	71.47
Other Loans and Advances	5,788.45	3,480.39	3,639.06	4,771.11
Total	5,980.45	3,672.50	3,719.52	4,867.28
Note-6 Other Asset				
Particular	Long Term		Short Term	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Pre operative & Mining Development	56.08	111.85	-	-
Cenvat & Input tax credit	-	-	1,447.40	1,484.46
Advance to Vendors(including related parties)	18.04	-	577.52	777.88
Advance to Related parties	-	-	-	7.00
Advance to Others	1,620.00	1,620.00	32.03	18.10
Advance against expenses	-	-	3.33	2.25
Income tax refundable	-	-	20.09	-
Accrued Duty Drawback	-	-	146.51	-
TDS/TCS Receivable	-	-	354.62	203.61
Prepaid Expenses	-	-	14.84	10.45
IGST Refundable on Export	-	-	494.65	-
Total	1,694.12	1,731.85	3,090.99	2,503.75
Note-7 Inventories				
Particular			31-Mar-22	31-Mar-21
(Valued at lower of cost and net realizable value)				
Raw materials			1,062.17	1,161.11
Work-in-progress;			94.55	143.31
Finished goods;			5,018.77	4,577.61
Consumable Stores and spares;			1,195.13	756.41
Scrap			73.47	73.47
Total			7,444.09	6,711.92
Note - 7.1 Particulars of Inventory			31-Mar-22	31-Mar-21
Raw Materials				
<i>Marble & Granites Blocks</i>			820.53	712.69
Quartz Granule			241.64	211.22
Polyster resin			-	-
Total			1062.17	923.90
Finished Goods				

Granite	3,118.59	2,688.81
Quartz slabs	1,900.18	1,888.80
Natural Sandstone Slabs	-	-
Total	5,018.77	4,577.61
Work-in-Progress		
<i>Unpolished Granite Slabs</i>	94.55	124.92
Total	94.55	124.92

Note-8 Trade Receivable							
Trade Receivables ageing schedule FY 21-22							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	3,482.23	361.18	134.09	153.78	134.23	191.81	4,457.32
(ii) Undisputed Trade Receivables — which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables — credit impaired							-
(iv) Disputed Trade Receivables— considered good							-

(v) Disputed Trade Receivables — which have significant increase in credit risk							-
(vi) Disputed Trade Receivables — credit impaired							-
Less : ECL Provision							118.92
Total							4,338.40

Trade Receivables ageing schedule FY 20-21							
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	3,012.36	550.47	166.72	190.07	166.01	76.13	4,161.76
(ii) Undisputed Trade Receivables — which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables — credit impaired							-
(iv) Disputed Trade Receivables— considered good							-
(v) Disputed Trade Receivables — which have significant increase in credit risk							-
(vi) Disputed Trade Receivables — credit impaired							-
Less : ECL Provision							53.22
Total							4,108.54

Note-9 Cash & Cash Equivalents		
Particular	31-Mar-22	31-Mar-21
Cash and Cash Equivalents		
Balances with banks	293.28	1,074.81
Cash on Hand	53.77	51.34
Total	347.06	1,126.15
Note-10 Other Bank Balances		
Particulars	31-Mar-22	31-Mar-21
Other Bank Balances (Earmarked)		
Balances with banks held as Margin Money on ILC/FLC/BG and other commitments	2,261.08	1,999.67
Total	2,261.08	1,999.67
Note-11 Other Financial Asset		
Particular	31-Mar-22	31-Mar-21
Accrued Interest	-	3.28
Other Receivables	3.26	0.91
Total	3.26	4.19
Note-12 Equity Share Capital		
Particular	31-Mar-22	31-Mar-21
Authorised		
25000000 Equity Shares of Rs. 10 each	2,500.00	2,500.00
(P.Y.25000000 Equity Shares of Rs. 10 each)		
Issued, Subscribed & Paid-up		
(13,51,500 Equity Shares of Rs. 10/-each, fully paid up)	135.15	135.15
Right Issue		
(20,94,825 Equity shares of Rs. 10/-each fully paid up)	209.48	209.48
Total	344.63	344.63

Note 12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity Shares	31-Mar-22		31-Mar-2021	
	Number	Amount	Number	Amount
At the beginning of the period	34,46,325	344.63	34,46,325	344.63
Changes during the period	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	34,46,325	344.63	34,46,325	344.63
Note 12.2 Terms/ Rights attached to Equity Shares				
The company has only one class of Equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.				
In the event of liquidation of 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 12.3 Details of Shareholders holding more than 5% equity shares in the Company				
Shareholder	31-Mar-22		31-Mar-21	
	Number	% Holding	Number	% Holding
Promoters and Promoter Group				
Geeta Devi Agarwal	5,00,574	14.52	5,00,574	14.52
Kapil Agarwal	3,75,869	10.91	3,75,869	10.91
Jagdish Prasad Agarwal	2,60,101	7.55	2,60,101	7.55
Rahul Marble Private Limited	6,85,868	19.90	6,85,868	19.90
Ankit Agarwal	2,88,740	8.38	2,88,740	8.38
	21,11,152		21,11,152	
Note 12.4 Details of % change in shareholding of Promoters in the Company				
Shareholder	31-Mar-22		31-Mar-21	
	Number	% Holding	Number	% Holding
Promoters and Promoter Group				
Geeta Devi Agarwal	5,00,574	14.52	5,00,574	14.52
Kapil Agarwal	3,75,869	10.91	3,75,869	10.91
Jagdish Prasad Agarwal	2,60,101	7.55	2,60,101	7.55
Rahul Marble Private Limited	6,85,868	19.90	6,85,868	19.90
Ankit Agarwal	2,88,740	8.38	2,88,740	8.38
	21,11,152		21,11,152	
Note-13 Other Equity*				
Particulars			31-Mar-22	31-Mar-21
A) Security Premium				
Balance as at the beginning of the period			2,283.36	2,283.36

Changes During the year	-	-
Balance as at the end of the period	2,283.36	2,283.36
B) Capital Reserve		
Balance as at the beginning of the period	24,843.34	24,843.34
Changes During the year	(77.22)	-
Balance as at the end of the period	24,766.12	24,843.34
C) Retained Earnings & General Reserve		
Balance as at the beginning of the period	7,158.23	6,116.89
Changes During the year	1,591.68	1,041.34
Balance as at the end of the period	8,749.91	7,158.23
D) Items of Other Comprehensive Income on Investments		
Balance as at the beginning of the period	523.67	469.05
Changes During the year	62.74	54.62
Balance as at the end of the period	586.41	523.67
F) Items of Other Comprehensive Income Remeasurement of Defined Benefit Plans		
Balance as at the beginning of the period	(20.98)	(34.64)
Changes During the year	(12.52)	13.66
Balance as at the end of the period	(33.50)	(20.98)
Balance as at 31 March 2022	36,352.30	34,787.61
Description and nature of other equity:-		
Security Premium: This reserve is used to record the premium on issue of shares. The same can be utilized accordance with the provisions of the Act		
General Reserve : It represents the actuarial gain or loss arising from the fair value measurement of investments made in Shares		
Retained Earnings: It represents the surplus amount available in profit and loss as retained earnings and Gain/Loss on Sale of Investment on which Irrevocable Option taken for Designated at FVTOCI for Long Term Strategic Reason. The reserve can be distributed/ utilised by the company in accordance with the Companies Act,2013.		
Capital Reserve: The Reserve is created based on statutory requirement under the Companies Act, 2013, on account of consolidation.		
Other Comprehensive Income: It represent the actuarial gain or loss arising from the remeasurement of defined benefit obligation and fair value measurement of investments.		
*Quantitative data mentioned in statement of changes in equity		

Note-14 Long Term Borrowings				
Particular	Non Current Portion		Current Maturities	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<u>LOANS - SECURED</u>				
<i>(i) Vehicle Loan</i>				
Axis Bank	187.11	290.28	103.17	94.84
HDFC Bank	109.34	104.02	50.33	30.54
<i>(ii) Term Loan</i>				
HDFC Bank	1,703.92	1,661.44	888.63	605.83
<u>LOANS - UNSECURED</u>				
<i>(i) From Related parties</i>				
From Directors	140.52	18.52	-	-
From Companies	0.00	24.05	-	-
<i>(ii) From other than Related parties</i>				
From Companies	177.76	5.89	-	-
From NBFC	202.52	106.35	-	-
<u>Securities Deposits from customers</u>	22.28	22.28		
Total	2,543.45	2,232.83	1,042.14	731.22
The above amount includes				
Secured borrowings	2,000.37		1,042.14	731.22
Unsecured Borrowings	543.07	2,055.74	-	-
Amount Disclosed under Current Maturities of Long term Borrowing Under Note No.19		177.08	(1,042.14)	(731.22)
Total	2,543.45	2,232.83	-	-
<p>(a) Loans from Axis Bank for Vehicles carries interest @ 8.80%. The loans are repayable in 60 monthly installments and the loans are secured by hypothecation of respective assets.</p> <p>(b) Term loan from HDFC bank carries Interest @ Repo Rate + 2.9% (Repo Rate is 4 %) is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 66 monthly installments.</p> <p>(c) Term Loan For Third line of Quartz (Taanj) fom HDFC Bank Carries Interest @ Repo Rate + 2.9% (Repo Rate is 4 %) is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 60 monthly installments.</p> <p>(d) Term Loan For Quartz (Taanj) fom HDFC Bank Carries Interest @ Repo Rate + 2.9% (Repo Rate is 4 %) is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 60 monthly installments.</p> <p>(e) Loans from Axis Bank for Vehicles carries interest @ 8.11%. The loans are repayable in 60 monthly installments and the loans are secured by hypothecation of respective assets.</p>				

(f) Working capital Term loan from HDFC bank carries Interest @8.25% is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 48 monthly installments.

(g) Loans from HDFC Bank for Commercial Equipments carries interest @7.50%. The loans are repayable in 48 monthly installments and the loans are secured by hypothecation of respective assets.

(h) Loans from HDFC Bank for Vehicles carries interest @7.50%. The loans are repayable in 48 monthly installments and the loans are secured by hypothecation of respective assets.

(i) Loans from Sai Baba finvest Pvt. Ltd. (NBFC) carries interest @ 9%. The loans are repayable in 48 monthly installments and the loans are secured by hypothecation of respective assets.

Note-15 Provisions

Particular	Long Term		Short Term	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Provision for Employees Benefit				
(i) Provision for Gratuity	328.68	315.51	52.47	44.44
(ii) Provision for Leave Encashment	-	-	63.43	50.02
(iii) Provision for Bonus & Ex-gratia	-	-	20.26	11.55
Total	328.68	315.51	136.16	106.00

Note 15.1 The company has made provision for gratuity based on actuarial valuation determined by Independent Actuary in accordance with IND AS-19.

Note-16 Deferred Tax Liability (Net)

Particular	31-Mar-22	31-Mar-21
Deferred Tax Liability		
Related to Fixed Assets	408.37	422.27
Deferred Tax Assets		
Related to Employee Benefit Expenses	101.99	77.86
Related to Unabsorbed losses and Depreciation	-	170.64
Related to OCI	(13.55)	2.89
Total	319.92	170.88

Note-17 Short-term Borrowings

Particular	31-Mar-22	31-Mar-21
Foreign Currency Loan/ Other Loan	3,276.15	1,992.99
Current maturities of long-term borrowings (Includes current maturities of vehicle loans)	1,042.14	731.22
Bank Overdraft A/c	404.50	-
Total	4,722.78	2,724.21

The above loan from HDFC Bank which carries Interest @ LIBOR+200 bps is secured by way of Hypothecation of Inventory i.e. Raw Materials, Stock in Process, Finished Goods, Stores & Spares and Book Debts, bill whether documentary or clean, outstanding monies, receivables, both present and future, equitable mortgage of properties & the facility is subject to annual renewal and it also carries an unconditional and irrevocable personal guarantees of the Whole Time Directors and property holders Bank Overdraft which carries interest rate @ FDR +0.40% is secured against Fixed Deposit of INR 1000.00 Lacs from HDFC Bank.

**Note-18 Trade Payable
Outstanding for following periods from due date of payment (2021-2022)**

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,156.60	857.71				2,014.31
(ii) Others	1,083.26	1,207.71	73.19	114.23	130.68	2,609.06
(iii) Disputed Dues-MSME						-
(iv) Disputed Dues- Others						-
(v) Un Billed Dues	105.12					105.12

Outstanding for following periods from due date of payment (2020-2021)

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						-
(ii) Others	2,170.08	1,269.44	122.39	59.56	97.20	3,718.66
(iii) Disputed Dues-MSME						-
(iv) Disputed Dues- Others						-
(v) Un Billed Dues	1.39					1.39

Note 18.1 The Company has the process of identification of suppliers registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmation from suppliers. Based on the information available with the Company, there are no overdues more than 45 days, payable to the suppliers as defined under the 'Micro, small and Medium Enterprises Development Act, 2006 as at March 31, 2021.

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:

Particulars	31-Mar-22	31-Mar-21
Dues Remaining Unpaid		-
The Principle amount remaning unpaid to any supplier as at the end of the year	1,156.60	-
Interest Due on the above amount	-	-
The amount of interest paid by in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	-	-
Amount of the Payment made to the supplier beyond the due date during the year.	-	-
Amount of Interest due and payable for the Period of delay in making payment (Which have been paid but beyond the due date during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development act 2006	-	-
Amount of Interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actual paid to the small enterprise	-	-
Total	1,156.60	-

Note-19 Financial Liability - Other		
Particular	31-Mar-22	31-Mar-21
Trade Payable for Capital Goods	363.11	1,584.57
Interest accrued but not due	18.85	20.07
Security deposits	17.78	17.57
Statutory Dues	30.84	157.81
Other Current Liabilities	284.20	174.65
Total	714.78	1,954.68

Note-20 Other Current Liabilities		
Particular	31-Mar-22	31-Mar-21
Advance from Customers /Other	559.78	848.41
Total	559.78	848.41

Note-21 Current Tax Liability (net)		
Particular	31-Mar-22	31-Mar-21
Provision for Income Tax	307.10	312.70
Total	307.10	312.70

Note-22 Revenue From Operation		
Particular	31-Mar-22	31-Mar-21
Sale of Products		
<i>Export Sales(Including Deemed Export)</i>	21,177.28	13883.67
<i>Domestic Sales</i>	7,068.45	3941.67
Other Operating Revenue	110.69	0.59
Revenue from Operation (Gross)	28,356.42	17,825.92
Note 22.1 Particulars of Products Sold		
	31-Mar-22	31-Mar-21
<i>(i) Export Sale (Including Deemed Export)</i>		
Granite	3,154.28	3026.71
Quartz	18,023.00	10,856.96
<i>(ii) Domestic Sales</i>		
Granite	762.47	800.48
Quartz	1,243.45	365.13
Iron Ore	5,062.53	2776.06
Note-23 Other Income		
Particular	31-Mar-22	31-Mar-21
Duty Drawback/Royalty & DMFT Received	172.18	95.19
Profit from share in Limited liability partnership	36.05	210.03
Profit on Sales of Assets/Investment	2.69	-
Interest Income	609.33	332.46
Exchange Rate Fluctuation	83.65	108.03
Miscellaneous Income	81.21	3.76
Commission Income	-	11.05
Total	985.11	760.51

Note-24 Cost of Materials Consumed		
Particular	31-Mar-22	31-Mar-21
Raw Materials Consumed		
Opening Stock	1,161.11	923.91
Add: Purchases	11,243.51	6,341.15
	12,404.62	7,265.06
Less: Closing Stock	1,062.17	1,161.11
Cost of Material Consumed	11,342.45	6,103.95
Particular	31-Mar-22	31-Mar-21
<i>Granite Block</i>	1,723.65	1,276.63
<i>Quartz Granual</i>	3,555.58	1,650.49
<i>Polyester Resin</i>	6,063.22	3,176.84

Total	11,342.45	6,103.95
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Note-25 Purchase of Stock-in-Trade		
Particulars	31-Mar-22	31-Mar-21
Granite Purchase	407.58	540.44
Iron Ore Concentrate	4,664.83	2,556.00
Total	5,072.41	3,096.44
Note-26 Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Particular	31-Mar-22	31-Mar-21
Opening Stock		
Work-in-Progress	143.31	124.92
Finished Goods	4,577.61	3,734.13
Scraps	73.47	73.38
Total [I]	4,794.39	3,932.43
Closing Stock		
Work-in-Progress	94.55	143.31
Finished Goods	5,091.07	4,577.61
Scraps	73.47	73.47
Total [II]	5,259.09	4,794.39
Change in inventories Total [I-II]	(464.70)	(861.95)
Note-27 Employee Benefits Expense		
Particular	31-Mar-22	31-Mar-21
Salaries, Wages and Bonus	841.94	772.93
Contribution to Provident and other funds	69.00	133.08
Staff Welfare Expenses	66.23	20.11
Total	977.17	926.12
Note-28 Finance Cost		
Particular	31-Mar-22	31-Mar-21
Bank Charges	29.57	14.19
Interest on Term Loan	223.67	191.64
Interest On PCFC	39.37	45.04
Interest on Others	30.71	21.76
Interest On Unsecured Loan	28.55	16.59
Total	351.87	289.22
Note-29 Depreciation and Amortisation Expenses		
Particular	31-Mar-22	31-Mar-21
Depreciation	1,079.81	844.12
Pre-Operative Expenditure Written Off	-	0.08
Total	1,079.81	844.20

Note-30 Other Expenses		
Particular	31-Mar-22	31-Mar-21
Manufacturing Expenses		
Consumption of Stores, Spares & Consumables	5,040.80	3,421.50
Power & Fuel Expenses	457.51	334.60
Factory and Mining Expense	331.88	178.97
Slurry & Transportation Expenses	14.17	22.34
<u>Repairs & Maintenance</u>		
- Plant & Machineries	93.92	81.41
TOTAL	5,938.29	4,038.81
<u>Administrative & Other Expenses</u>		
Accounting Charges	0.54	0.78
Communication Expenses	17.16	16.25
Conveyance	32.93	22.80
CSR Expenditure	9.11	-
Demat charges/Bank Charges	-	0.18
Demand / Interest/ Late Fees	0.09	7.74
Discount	72.60	-
Exchange Rate Fluctuation	1.57	68.32
Fees & Subscription	29.11	20.64
Donation	0.50	1.00
Festival Expenses	0.01	4.36
Gardening Expenses	0.11	0.01
Internet Expenses	-	0.18
Income Tax	1.49	2.85
Insurance Expenses	26.43	20.84
Legal & Professional	52.68	62.85
Loss on sale of Shares/ Partnership Firm	-	3.78
Loss on Futures & Options Trading	-	171.47
Lease / Dead Rent	0.01	5.25
Listing, RTA & Related Expenses	4.20	1.50
Medical Exp.	-	0.06
Provision for ECL	65.70	42.05
Balances written off	9.45	777.89
Miscellaneous Expenses	106.51	74.37
Office Expenses	146.44	55.98
Payment to Auditors (Refer details Below)	5.98	5.14
Workmen Compensation	-	145.21
Printing & Stationary	30.22	22.64
ROC expenses	0.38	0.19
Rent	44.94	28.84

Rates & Taxes	0.22	2.68
Repairs & Maintenance (Others)	8.12	17.46
Security Service Expenses	48.78	51.97
Vehicle Running & Maintenance Expenses	43.99	34.18
Traveling Expenses	0.03	0.22
Bad debts write off	10.47	-
Royalty Expenses/ Mining Expenses	5.09	2.18
TOTAL [B]	774.85	1,671.86
SELLING & DISTRIBUTION EXPENSES		-
Advertisement & Sales Promotion Expenses	41.27	85.31
Commission Expenses	204.22	0.78
Exhibition Expenses	-	4.91
Freight & Forwarding	1,657.25	820.02
Insurance - Marine	20.14	8.32
Marketing & Travelling Expenses	190.30	59.27
TOTAL [C]	2,113.18	978.60
GRAND TOTAL [A+B+C]	8,826.31	6,689.27
Note-31 Payment to Auditor		
Particular	31-Mar-22	31-Mar-21
Audit Fees	5.15	5.10
Reimbursement of Expenses	0.83	0.04
Total	5.98	5.14
Note-32 Income Tax Recognised in Statement of Profit or Loss		
Particular	31-Mar-22	31-Mar-21
Current Tax		
In respect of Current year		
Regular Tax	221.11	93.73
MAT	235.98	199.26
MAT Credit	-	-
In respect of earlier year	-	-
Total Current tax	457.10	293.00
Deferred Tax	107.43	164.85
The movement of deferred tax assets and liabilities during the year ended March 31, 2022		

Particular	As at 1 April, 2021	(Credit)/ Charge in statement of Profit and Loss	(Credit) / Charge in Other Comprehensive Income	As at 31st March, 2022
Deferred Tax Assets/ (Liabilities)				
Depreciation	(422.27)	13.90	-	(408.37)
Gratuity & Compensated Absence	80.76	7.69	-	88.45
Unabsorbed losses and Depreciation	170.64	(170.64)	-	-
Transfer to OCI	-	10.66	(10.66)	-
Total	(170.88)	(138.39)	(10.66)	(319.92)
A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:				
Particulars		31-Mar-22	31-Mar-21	
Profit before income taxes		2,156.21	1,499.19	
Enacted tax rate in India (MAT)		17.472%	17.47%	
Enacted tax rate in India (Regular Tax Rate)- Holding company		27.82%	27.82%	
Subsidiaries Company		25.17%	25.17%	
Computed expected tax expenses (MAT)		230.43	199.26	
Computed expected tax expenses (Regular Tax)		221.11	91.97	
Effect of Allowances for tax purpose		-	-	
Effect of Non deductible expenses		-	-	
Others		5.55	1.77	
Tax expense recognised in Statement of Profit and Loss		457.10	293.00	
Note-33 Earning Per Share				
Particulars		31-Mar-22	31-Mar-21	
Profit after tax		1,591.68	1,041.34	
Weighted average no. of Equity Share Outstanding		34,46,325	34,46,325	
Nominal value of Ordinary share(INR)		10.00	10.00	
Basic & diluted earning per share in rupees		46.19	30.22	
Note-34 Lease				
The company has taken mines on Operating Lease from "Department of Mines & Geology" and minimum yearly rental is being paid which is adjusted against royalty amount, if payable.				

Note-35 Employee Benefit
(A) Defined Contribution Plan:-

The Company operates defined contribution retirement benefit plans for all qualifying employees. Contributions are made to registered provident fund and Employee state insurance administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	31-Mar-22	31-Mar-21
Contribution to Provident fund Statement of Profit and Loss	39.68	46.35
Contribution to ESI in Statement of Profit and Loss	2.95	6.89

(B) Defined Benefit Plan:-
Gratuity

In accordance with the provisions of Payment of Gratuity Act, 1972, the company has defined benefit plan which provides for gratuity payment. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the year of employment with the company. The company's gratuity plan is an unfunded plan.

These plans typically expose the Company to actuarial risks such as: Actuarial Risk, Investment Risk, Liquidity Risk, Market Risk & Legislative Risk:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
Adverse Salary Growth Experience : Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk :

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the

corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to the employees.

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Assumptions:

The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	31-Mar-22	31-Mar-21
Discount Rate	6.85%	6.40%
Future Salary growth rate	6.00%	6.00%
Rate of Return on Plan Assets	-	-
Mortality table used Indian Assured Lives Mortality (2006-08) Ultimate	10% at younger ages reducing to 2% at older ages	
Projected Benefit Obligation		
Particulars	31-Mar-22	31-Mar-21
Projected benefit Obligation at beginning of the year	359.96	333.55
Interest Cost	11.20	20.94
Current Service Cost	14.21	51.34
Past Service Cost	-	-
Actuarial (Gain)/Loss	6.26	(16.55)
Benefits paid	(10.48)	(29.33)
Projected benefit Obligation at end of the year	381.15	359.95
Amount recognised in the Balance Sheet:		
Particulars	31-Mar-22	31-Mar-21
Amount recognised in the Balance Sheet:		
Projected benefit Obligation at end of the year	381.15	359.95
Fair Value of Plan Assets as at year end	-	-

Net (Asset)/Liability recognized in the Balance Sheet	381.15	359.95
Cost of the defined benefit plan for the year:		
Particulars	31-Mar-22	31-Mar-21
Current Service Cost	14.21	51.34
Interest Cost	11.20	20.94

Past Service Cost	-	-
Expected Return on plan Asset	-	-
Components of defined benefit cost recognised in the Statement of Profit & Loss	25.42	72.28
Remeasurement on the net defined benefit liability:		
Experience Adjustment		
Particulars	31-Mar-22	31-Mar-21
Present value of defined benefit obligation	381.15	359.95
Fair Value of plan assets	-	-
Balance Sheet (Liability)/ Asset	381.15	359.95
P&L (Income)/ expenses		-
Experience adjustment on plan liabilities (gain)/ loss	6.26	(22.58)
Experience adjustment on plan assets gain/ (loss)	-	-

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

Particulars	31-Mar-22		31-Mar-21	
	Increase	Decrease	Increase	Decrease
Discount rate - 0.5%	370.02	392.97	347.33	373.39
Salary Growth rate - 0.5%	391.78	370.94	372.76	347.74
Withdrawal rate - 10%	382.33	379.85	360.65	359.18

Leave Encashment

Compensated absence liability recognised as expense for the year is Rs. 17.83 Lakhs (Previous Year Rs. 14.08 Lakhs). The said amount has been calculated by the management. It has been calculated on the basis of leaves accumulated during the year other relevant factors.

Note-36 Capital Management

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

Note-37 Related Party Disclosures

The Company has made the following transactions with related parties as defined under the provisions of Indian Accounting Standard-24 issued by the Institute of Chartered Accountants of India & notified by MCA under Companies (Indian Accounting Standard) Rules, 2015, as amended.

List of related parties with whom transaction have taken place during the year along with the nature and volume of transaction is given below from 01.04.2021 to 31.03.2022

Particulars	Relation	
Directors & Key managerial persons & their associate concerns		
Jagdish Magniram Agarwal	Managing Director	
Kapil Jagdish Agarwal	Executive Director & CFO	
Geetadevi Agarwal	Non Executive Director	
Pradeep Kumar Jain	Non Executive Independent Director	
Vikash Mishra	Non Executive Independent Director	
Vinod Choudhary	Non Executive Independent Director	
Sachin Shah	Company Secretary	
Ankit Agarwal	Director in the subsidiary Company Gist minerals Technologies ltd	
Shruti Agarwal	Director in the subsidiary Company Gist minerals Technologies ltd	
Kanika Agarwal	Director in the subsidiary Company Gaze Fashiontrade Ltd.	
Enterprises owned/controlled by directors & their relatives		
Krishna Marble	Director is Partner in the Firm	
Ojaswi Marble & Granites Pvt Ltd	Director is the Director of the Company	
Pacific Exports	Director is Partner in the Firm	
Yash Processors Ltd	Director is the Director of the Company	
Bhola Motor Finance Pvt. Ltd.	Director is the Director of the Company	
Pacific Iron Manufacturing Ltd	Director is the Director of the Company	
Gamut Tradecom LLP	Director is Partner in the LLP	
Chaitanya International Minerals LLP	Director is Partner in the LLP	
Geetanjali Industrial Mineral P. Ltd.	Director is the Director of the Company	
Fortune foundation	Director is Trustee in the Trust	
Proclaim constructions Pvt ltd	Director is the Director of the Company	
Steadfast Builders Pvt Ltd	Director is the Director of the Company	
Reyansh infrastructure Pvt Ltd	Director is the Director of the Company	
Ojaswi medical & healthcare Pvt. Ltd	Director is the Director of the Company	
Relations with Directors		
Transactions with Key management persons		
Nature of transaction	31-Mar-22	31-Mar-21

Remuneration	94.02	51.63
Employer's Contribution to Provident Fund	11.13	6.06
Loan Outstanding as 31st march (Liabilities)	190.52	18.52
Out of the above items, transactions in excess of 10% of the total related party transactions are as under:		

Remuneration	31-Mar-22	31-Mar-21
Kapil Agarwal	45.00	24.00
J.P. Agarwal	45.00	24.00
Sachin Shah	4.02	3.63
Employer's Contribution to Provident Fund	31-Mar-22	31-Mar-21
Kapil Agarwal	5.40	2.88
J.P. Agarwal	5.40	2.88
Sachin Shah	0.33	0.30
Loan outstanding as 31st march (Liabilities)	31-Mar-22	31-Mar-21
Geeta Devi Agarwal	27.83	2.83
Kapil Agarwal	69.53	15.53
J.P. Agarwal	43.16	0.16
Ankit Agarwal	50.00	-
Transactions with Enterprises owned & controlled by the Directors and their relatives		
Nature of transaction	31-Mar-22	31-Mar-21
Purchase	7700.03	3445.61
Sales	1552.60	627.81
Interest Received	412.11	149.49
Interest Paid	4.11	16.59
Trade Payables	845.46	578.51
Trade Receivables	588.68	110.37
Advance Outstanding (Assets)	5314.21	2112.11
Loan Outstanding (Liabilities)	0.00	24.05
Investments	3540.78	2954.88
Assets Purchased	0.00	123.75
Advance Outstanding (liability)	0.00	125.57
Other non current assets	1620.00	1620.00
Out of the above items, transactions in excess of 10% of the total related party transactions are as under:		
<u>Purchase</u>		
Chaitanya international Minerals LLP (Net)	1446.48	824.68
Pacific Iron Manufacturing Ltd	4947.50	2,556.00
Geetanjali Industrial Mineral P. Ltd.	1,306.05	64.94

<u>Sales</u>		
Chaitanya international Minerals LLP	1,540.59	605.27
Others (Below 10%)	12.01	22.54
<u>Interest Received</u>		
Bhola Motor Finance Pvt Ltd	122.79	-
Pacific Iron Manufacturing Ltd	30.51	77.16
Reyansh Infrastructure Pvt Ltd	113.59	72.33
Geetanjali Investech Holding India Pvt Ltd	133.84	-
Others (Below 10%)	11.38	-
<u>Interest Paid</u>		
Bhola Motor Finance Pvt Ltd	4.11	16.59
<u>Trade Payables</u>		
Chaitanya International Minerals LLP	726.00	233.06
Krishna Marble	-	29.50
Pacific Iron Manufacturing Ltd	6.21	177.84
Yash processors Pvt. Ltd	58.64	58.64
Geetanjali Industrial Mineral P. Ltd.	54.59	78.83
Others (Below 10%)	0.02	0.64
<u>Trade Receivables</u>		
Chaitanya International Minerals LLP	579.24	78.48
Ojaswi Marble & Granites P Ltd	1.70	26.60
Others (Below 10%)	7.75	-
<u>Advance Outstanding (Assets)</u>		
Pacific Iron Manufacturing Ltd	534.38	-
Reyansh Infrastructure Pvt Ltd	1920.34	2,112.11
Stead Fast Builders Private Limited	510.24	-
Geetanjali Investech Holding India Pvt Ltd	2349.26	-
Others (Below 10%)	-	-
<u>Loan Outstanding (Liabilities)</u>		
Bhola Motor Finance Pvt Ltd	-	24.05

<u>Investments</u>		
Gamut Tradecom LLP	744.26	708.84
Krishna Marble	2796.52	2246.04
<u>Assets Purchased</u>		
Pacific Iron Manufacturing ltd	0.00	11.75
Ojaswi Medical & Healthcare Private Limited	0.00	112.00
<u>Advance outstanding (liability)</u>		
Krishna Marble	0.00	125.57
<u>CSR Expenses</u>		
Fortune Foundation	9.00	-
<u>Other Non-current Assets</u>		
Proclaim Construction Pvt. Ltd.	1620.00	1,620.00
Note-38 Contingent Liabilities/Commitments, Contingent Assets & Pending Litigations		
Contingent Liabilities		
(A) Claims against the company not acknowledged as debt.		
A.1 Demand Raised by the Central Excise Commissionerate of Rs 170.62 Lacs against which Rs 62.32 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending.		
A.2 The company has a total demand of Rs. 78.39 lacs of Custom Duty out of which the company has deposited Rs. 9.21 Lacs under protest against which the company has filed an appeal.		
(B) Other Contingents Liabilities		
B.1 Show cause notice received from excise authorities of Rs 1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.		
B.2 Show Cause notice received from excise authorities of Rs 4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.		
B.3 Show Cause notice Received From Custom Authorities of RS 9.29 Lacs of Custom Duty under the Provision of Custom Act 1962 imposed on Ground of Wrongly Availing of Custom duty Benefits (Duty Forgone) on Saw Blades and Steel Grits imported /procured under concessional rate of duty during Period of July 2016 to June 2017. However, no demand has been received from the custom authorities against the same and based on Legal opinion obtained, the company does not expect any liabilities on this account		

(C) Capital Commitments and other Commitments						
Particulars		31-Mar-22	31-Mar-21			
Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advance)		-	-			
Exports obligation under Export Promotion Capital goods (EPCG) scheme*		-	3,022.23			
*company is availing benefit under EPCG Scheme for import of Capital goods and spare parts against obligation to export 6 times of the duty saved. Total duty to be saved/saved against licenses outstanding as at March 31, 2022 is NIL (March 31,2021 Rs. 503.70 Lacs). Export Obligation on such licenses outstanding as at year end is disclosed above.						
(D) Contingent Assets - Nil						
Note 39: Fair Value Measurement						
The following table shows the carrying amounts and fair values of Investments including their levels in the fair value hierarchy.						
Financial assets	Fair Value as at		Fair Value Hierarchy	Valuation techniques & key inputs used		
	31-Mar-22	31-Mar-21				
Investments in quoted equity instruments at FVTOCI	234.24	166.80	Level-1	Quoted market price in an active market		
Investments in unquoted instruments at FVTOCI	3319.19	3,324.35	Level-3	Refer Note (a) & (d) Below		
Investments in unquoted instruments at Amortized Cost	6580.59	5,994.73	Level-3	Refer Note (b) & (c)Below		
Total	10,134.02	9,485.88				
<p>There were no changes in the fair value hierarchy levels in the above periods.</p> <p>(a) Upon the application of IND AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI/FVTPL respectively.</p> <p>(b) Investment in Subsidiaries, NSC, and LLP is Valued at Cost as the company has opted to adopt cost method as per IND AS.</p> <p>(c) Upon the application of IND AS 109, the Company has chosen to designate the investments in Preference share instruments at amortised cost.</p> <p>(d) Investment in Next Orbit Fund has been designated at NAV & routed through FVTOCI.</p> <p>Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.</p>						

Particulars	31-Mar-22		31-Mar-21	
	Amortised cost	Carrying value	Amortised cost	Carrying value
Financial Assets				
(i) Trade receivables	4,338.40	4,338.40	4,108.54	4,108.54
(ii) Loans	9,699.97	9,699.97	8,539.78	8,539.78
(iii) Others	3.26	3.26	4.19	4.19
(iv) Cash & Cash Equivalents	347.06	347.06	1,126.15	1,126.15
Total	14,388.69	14,388.69	13,778.66	13,778.66
Financial Liabilities				
(i) Borrowings	7,266.23	7,266.23	4,957.04	4,957.04
(ii) Trade payables	4,728.50	4,728.50	3,720.05	3,720.05
(iii) Other financial liabilities	714.78	714.78	1,954.68	1,954.68
Total	12,709.51	12,709.51	10,631.76	10,631.76

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

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

2) Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

Note 40: Financial Risk Management

Financial risk management policy and objectives

The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise Borrowings from Banks, trade and other payables. The main purpose of these financial liabilities is to finance Company's operations and plant expansion. Company's principal financial assets include investments, trade and other receivables, deposits with banks and cash and cash equivalents, that derive directly from its operations.

Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments in equity shares, security deposits, trade and other receivables, deposits with banks and financial liabilities.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

a) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is exposed to foreign exchange risk arising from foreign currency transactions primarily to USD & EURO. Company do not enter into any derivative instrument in order to hedge its foreign currency risks.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change by 5% in USD & EURO exchange rates, with all other variables held constant.

Financial Exposure	31-Mar-22		31-Mar-21	
Financial liabilities:				
USD Converted in Rupees	3,550.48		3,446.98	
EURO Converted in Rupees	197.77		318.90	
Net exposure	3,748.24		3,765.88	
Sensitivity Analysis				
Currency	5% increase		5% decrease	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
USD	177.52	172.35	(177.52)	(172.35)
EURO	9.89	15.94	(9.89)	(15.94)
b) Interest rate risk				
Interest rate risk is the risk that changes in market interest rates will lead to change in interest income and expense for the Company. In order to optimize the Company's position with regards to interest income & expense and to manage the interest risk, the Company performs comprehensive interest risk management by balancing the proportion of fix & variable rate financial instruments.				
Particulars	31-Mar-22		31-Mar-21	
Fixed rate instruments				
Fixed deposit with Banks	2,261.08		1,999.67	
Borrowings				
Vehicle loans	449.96		519.69	

Variable rate instruments				
Borrowings				
Term Loan (HDFC)		2,592.55	2,267.27	
Foreign Currency Loan		3,276.15	1,992.99	
Bank Overdraft		404.50	-	
Sensitivity analysis:				
A change in 50 basis point in interest rate at the reporting date would have increase/(decrease) Profit or Loss by the amount shown below.				
This analysis assumes that all other variables, remain constant.				
Particulars	31-Mar-22		31-Mar-21	
	Increase	Decrease	Increase	Decrease
Interest rate - increase/decrease by 50 basis point	313.66	(313.66)	213.01	(213.01)
c) Commodity Risk				
Commodity risk is defined as the possibility of financial loss as a result of fluctuation in price of Raw Material/Finished Goods and change in demand of the product and market in which the company operates. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company forecast annual business plan and execute on monthly business plan. Raw material procurement is aligned to its monthly/annual business plan and inventory position is monitored in accordance with future price trend.				
ii) Credit risk				
Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.				
Credit risk on trade receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has no concentration of risk as customer base is widely distributed both economically and geographically.				
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. 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. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.				

a) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the components of balance sheet is the carrying amount as disclosed in Note 40.

Credit risk exposure

The following table shows the maximum exposure to the credit risk at the reporting date :

Particulars	31-Mar-22		31-Mar-21	
	Non Current	Current	Non Current	Current
Loans	5,980.45	3,719.52	3,672.50	4,867.28
Trade Receivables	-	4,338.40	-	4,108.54
Bank Balance	-	293.28	-	1,074.81
Other financials assets	-	3.26	-	4.19
Total	5,980.45	8,354.46	3,672.50	10,054.82

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from banks at optimised cost and cash flow from operations.

The table summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

Note 41. Segement Reporting

Company has considered business segment as the primary segment for disclosure. The business segments are Marble & Granite, Trading other than Marble & Granite & Other Services.

PARTICULARS	FOR THE YEAR ENDED	
	31-Mar-22	31-Mar-21
Segment Revenue		
A. Stone - Granite and Quartz	24534.46	15163.85
B. Trading Other than Granite and Quartz	5062.53	2776.06
C. Investment & Finance	383.21	576.97
D.Others Services	-	-
Total	29,980.19	18,516.89
Less : Inter Segment Revenue	1,623.77	690.96
Revenue From Operations (Excluding Other Income)	28,356.42	17,825.92

Segment Results		
Profit/Loss Before Charging Unallocable Expenditures		
A. Stone - Granite and Quartz	2,042.01	1,356.58
B. Trading Other than Granite and Quartz	-	171.58
C. Investment & Finance	521.35	260.25
D.Others Services	-	-
Unallocable Expenses (Tax+Finance Cost)	351.87	289.22
Less : Inter Segment Elimination	55.29	-
Total Profit (Before Tax & OCI)	2,156.21	1,499.20
Segment wise capital employed (Segment Assets- Segment Liabilities)		
A. Stone - Granite and Quartz	17,641.21	16,641.15
B. Trading Other than Granite and Quartz	1.77	722.77
C. Investment & Finance	27,136.69	26,500.61
C.Others Services	69.24	243.14
Less : Inter Segment Elimination	5,608.53	6,742.60
Total	39,240.38	37,365.07

Note : 42 Covid-19

The COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess overall impact of the pandemic on the business and Financial Statements for the year ended 31 st March 2022. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any further development relating to COVID-19, which may have impact on business and financial position. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

Note : 43 Code on Social security

The Code on Social Security, 2020 ('code') relating to employee benefits, during employment and post-employment, received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders. The Company will assess the impact on its financial statements in the period in which the related rules to determine the financial impact are notified and the Code becomes effective.

NOTE 44 - Disclosures as per amendments in Schedule III of Companies Act,2013 with notification issued on 24th March 2021:

Information required against additional disclosures as per amendments in Schedule III of Companies Act, 2013 are as under:-

A.Revaluation of Property, Plant & Equipment (Para a(ii)(XIII)(Y)(ii)) - During the year under review the company has not revalued its property, plant & Equipment (Includign right of use assets).

B.Loan & Advance made to promoters, directors, KMPs and other related parties (Para a(ii)(XIII)(Y)(iii))- The Company has not provided any loans and advance to the parties covered under this clause

C.Intangible Assets under development (Para a(ii)(XIII)(Y)(v))-There are no intangible assets under development

D. Willful Defaulter (Para a(ii)(XIII)(Y)(viii))- The company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.

E.Registration of charges and satisfaction with Registrar of Companies (Para a(ii)(XIII)(Y)(x))- There are no charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

F. Compliance with number of layers of companies (Para a(ii)(XIII)(Y)(xi)) - The company has not made violation of requirements related to number of layers of companies as prescribed under clause 87 of Section 2 read with Companies (Restriction of number of Layers) Rules 2017.

G. Utilization of Borrowed funds and share premium (Para a(ii)(XIII)(Y)(xiv)) - No funds 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 persons(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

H. Undisclosed Income (Para a(iii)(ix))- Company has not surrendered or disclosed any transaction which was not recorded in the books of accounts as income during the year in the tax assessment under the Income Tax Act.

I.Details of Crypto Currency or Virtual Currency (Para a(iii)(xi))- The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Note : 45

The Company has Closed its Bangalore Unit w.e.f, 31st Oct 2020 and Workmen Compensation Expenses of Rs 1.45 Crores related to this unit has been provided in the books of Accounts as estimated by the management but still the matter is pending with office of Assistant Labour Comissioner and order of the same is yet to be passed.

Note : 46

Gaze Fashiontrade Limited has applied for merger of its wholly owned subsidiaries Radhika Vyapaar Private Limited, Biswas Solar Instrument Private Limited and Blood Hound Security Private Limited with itself under section 233 of Companies Act 2013 on 12.03.2020 and approval from Regional Director, South Eastern Region, Hyderabad has been received for Amalgamation, w.e.f. 01.04.2020 vide order dated 07-01-2021. Later on, INC-28 approved by MCA dated 29.11.2021 regarding registration of order of Regonal Director. Amalgamated results of Gaze Fashiontrade Limited Audited by another Auditor has been considered for the purpose of Consolidation.

Note : 47

The previous year's figures have been regrouped, rearranged and reclassified to conform to current year Ind-AS presentation requirements.

Note : 48

The company has Incorporated US Based Wholly Owned Subsidiary Company named as 'TAANJ QUARTZ INC.' in Financial Year 2020-2021 and company has subscribed its capital in the current Year. The Unaudited results of the same has been Consolidated by the Management in preparing this Consolidated Financial Statements.

Note : 49 The Consolidated Financial Statements present the Consolidated Accounts of Pacific Industries Limited with its following Subsidiaries and step down subsidiaries:

In lakhs											
Name of the Subsidiary	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Investments	Turnover	Profit/ Loss Before Taxation	Provision for Taxation	Profit/ Loss after Taxation	Proposed Dividend	% of Share Holding
<i>Direct(Subsidiary)</i>											
Gist Minerals Technologies Limited	INR	10.00	9,366.16	9,597.20	2,236.83	232.76	430.86	89.44	341.43	-	100
Gaze FashionTrade Limited	INR	10.00	16,715.21	17,167.95	6,918.75	382.39	410.05	98.24	311.80	-	100
Taanj Quartz INC	INR	7.53	12.93	220.05	-	779.26	15.58	2.48	13.10	-	100

Note : 50 Statement containing sliest features of the financial statements of subsidiaries :

In lakhs								
Name of the entity in the Group	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of consolidated profit or Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Holding company:								
Pacific Industries Limited	29.29%	10,819.46	58.63%	944.49	100.21%	50.33	59.78%	990.43
Subsidiaries (Indian):								
Gist Minerals Technologies Limited	25.38%	9,376.16	21.20%	341.43	0.27%	0.14	20.61%	341.43
Gaze FashionTrade Limited	45.28%	16,725.21	19.36%	311.80	-0.49%	(0.24)	18.82%	311.80
Taanj Quartz INC	0.06%	20.47	0.81%	13.10	-	-	0.79%	13.10

Note 51. Relationship with Struck off Companies				
S No	Name of struck off Company	Nature of transactions with struck-off Company	No. of shares of Pacific Industries Limited held by the companies	Relationship with the Struck off company, if any, to be disclosed
1	Arusheeta Investments & Marketing Pvt Ltd	Shares held by struck off company	20	NA
2	Anushree Commerce Pvt Ltd	Shares held by struck off company	2,150	
3	Akanksha Deep Holding Pvt Ltd	Shares held by struck off company	44	
4	Pink City Index Pvt Ltd	Shares held by struck off company	8	
5	R.M. Mehta Exports Pvt. Ltd.	Shares held by struck off company	4	
6	Pnb Capital Services Ltd.	Shares held by struck off company	20	
7	Prudential Capital Markets Ltd.	Shares held by struck off company	200	
8	Lloyds Brokerage Limited	Shares held by struck off company	2,270	
9	Rajdarshan Consultants & Executors Pvt Ltd	Shares held by struck off company	20	
10	Gem Stocks Private Limited	Shares held by struck off company	10	
11	Crownest Vinimay Pvt Ltd	Shares held by struck off company	200	
12	Icp Securities Ltd	Shares held by struck off company	10	
13	Anubhav Holdings (P) Ltd.	Shares held by struck off company	10	
14	Hariom Finance Private Ltd	Shares held by struck off company	10	
15	Lee-Sa Finance And Investments Pvt Ltd	Shares held by struck off company	20	
16	M/S.Skan Packaging And Investment Pvt Ltd	Shares held by struck off company	50	

Note 52 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in lakhs)

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021
A. Amount required to be spent during the year	8.73	-
B. Amount spent during the year on:		
a) Construction/Acquisition of any asset	-	-
b) On purposes other than (a) above	9.11	-
C. Shortfall for the year, in any in Amount required to be spent net of Amount spent	-	-
D. Provision made for shortfall during the year	-	-
E. Total of Previous Year Shortfalls	-	-
F. Total Provision for Unspent CSR	-	-
Reason for Shortfall : Company has identified an ongoing project in meeting held among members of its CSR Committee. Company has transfer the remaining sum as per the Section 135 of Companies Act, 2013 and provisions thereof, on within 30 days of end of Financial Year i.e. Apr 30, 2022.		
Nature of CSR Activites	FY 2021-22	FY 2020-21
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	-	-
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	-	-
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	-	-
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	9.11	-
Others	-	-

Total	9.11	-
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Note 53. Following are the Analytical ratios for the Year Ended March 31 2022 and March 31 2021							
S.No.	Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance	Reasons
1	Current Ratio (in times)	Total current Assets	Total current liabilities	2.15	2.44	0.12 Times	
2	Debt Equity Ratio (in times)	Long term borrowings +short term borrowings	Total equity	0.20	0.14	0.40 Times	Borrowings increased by 40%
3	Debt Service Coverage Ratio (in times)	Earnings before debt service = Net profit after taxes + non cash operating expenses + Interest + Other non cash adjustments	Debt service = Interest + principle repayments	2.76	2.11	0.30 Times	Earnings before debt service increased by 39%
4	Return On Equity Ratio (in %)	Profit for the year	Average total equity	0.04	0.03	47.16%	Profit increased by 52%
5	Inventory Turnover Ratio (in times)	Revenue from operations	Average total inventory	4.01	2.90	0.38 Times	Revenue from operations increased by 59 percent
6	Trade Receivables Turnover Ratio (in times)	Revenue from operations	Average trade receivables	6.71	4.43	0.51 Times	Revenue from operations increased by 59 percent
7	Trade Payable Turnover Ratio (in times)	Purchases	Average trade payables	3.86	2.86	0.35 Times	Purchase Increased by 64%
8	Net Capital Turnover	Revenue from operations	Working Capital	2.12	1.42	0.49 Times	Revenue from

	Ratio(in times)						operations increased
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							by 59 percent
9	Net Profit Ratio (in %)	Profit for the year	Revenue from operations	5.61	5.84	-3.91%	Profit increased by 52%
10	Return On Capital Employed (Roce) (in %)	Earning before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities	6.78	5.07	33.75%	Profit increased by 52%
11	Return On Investment (in %)	Inome generated from invested funds	Average investmens	0.00	0.02	-83.93%	

**For and on behalf of Board of Directors
Pacific Industries Limited**

For Ravi Sharma & Co.
Chartered Accountants
(FRN 015143C)

(J.P. Agarwal)
 (Chairman & Managing Director)
 DIN:00386183

(Kapil Agarwal)
 (Executive Director & CFO)
 DIN:00386298

(Paras Bhatia)
Partner
M.No. 418196

(Sachin Shah)
 (Company Secretary)
 (PAN : CFLPS2451B)

Date: 28.05.2022
Place: Udaipur

Limited Review Report on Unaudited Quarterly/Half yearly Consolidated Financial Results of Pacific Industries Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors,
Pacific Industries Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of Pacific Industries Limited ('the Holding Company') and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the Quarter and Half Year ended 30th September 2022 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's management and approved by the 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, 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. 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of the unaudited consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be

disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

We did not audit the interim financial results of Two Wholly Owned Indian subsidiaries and one wholly owned US Based subsidiary which are being reviewed by other auditors, whose Ind AS Financial Results include Total revenue From Operations of Rs 1,614.08 Lacs for the quarter ended 30th September 2022. Our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such auditors.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Board of Directors.

Details of Subsidiaries and Step-Down Subsidiaries are as under:-

1. Gist Mineral Technologies Limited (Wholly owned Indian Subsidiary)
2. Gaze Fashiontrade Limited (Wholly owned Indian Subsidiary)
3. Taanj Quartz INC (Wholly owned US based Subsidiary)

For Ravi Sharma & Company

Chartered Accountants

FRN: 015143C

(CA Paras Bhatia)

Partner

M.No. 418196

UDIN:

Date: 12th Novemeber,2022

Place: Udaipur

Unaudited Consolidated Balance Sheet as at 30th Sept 2022

S. No.	Particulars	As at	As at
		30th Sept 2022	31st March 2022
		(Unaudited)	(Audited)
I	ASSETS		
(1)	Non-current assets		
	(a) Property, Plant & Equipment	10,930.84	11,477.57
	(b) Capital work-in-progress	1,015.85	566.30
	(c) Other Intangible Asset	1.17	1.17
	(d) Financial Assets		
	(i) Investments	7,339.46	7,337.14
	(ii) Loans & Advances	5,982.35	5,980.45
	(e) Other non-current assets	1,982.27	1,694.12
	Total Non-current Asset	27,251.94	27,056.75
(2)	Current assets		
	(a) Inventories	7,241.26	7,444.09
	(b) Financial Assets		
	(i) Investments	2,799.70	2,796.93
	(ii) Trade Receivable	5,031.35	4,338.40
	(iii) Cash and Cash equivalents	292.59	347.06
	(iv) Other Bank Balances	2,146.12	2,261.08
	(v) Loans & Advances	3,946.38	3,719.52
	(vi) Other Financial Asset	1.99	3.26
	(c) Other current assets	3,071.52	3,090.99
	Total Current Asset	24,530.91	24,001.33
	Total Assets	51,782.85	51,058.08
II.	EQUITY AND LIABILITIES		
(1)	EQUITY		
	(a) Equity Share capital	344.63	344.63
	(b) Other Equity	36,762.70	36,352.29
	Total Equity	37,107.33	36,696.92
(2)	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	2,311.11	2,543.45
	(b) Provisions	171.77	328.68
	(c) Deferred tax liabilities (Net)	326.98	319.92
	Total Non-current Liabilities	2,809.86	3,192.05
(3)	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	5,252.01	4,722.78
	(ii) Trade Payables		
	(A) MSME	983.75	2,014.31

	(B) Others	3,764.00	2,714.19
	(iii) Other Financial Liabilities	651.57	714.78

	(b) Other current liabilities	894.54	559.78
	(c) Provisions	135.08	136.16
	(d) Current tax liabilities (net)	184.71	307.10
	Total Current Liabilities	11,865.66	11,169.10
	Total Liabilities	14,675.52	14,361.15
	Total Equity and Liabilities	51,782.85	51,058.08

**By order of the Board
For PACIFIC INDUSTRIES LIMITED**

J.P. AGARWAL (Chairman & Managing Director)	SACHIN SHAH (COMPANY SECRETARY)
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(DIN 00386183)	(PAN: CFLPS2451B)
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Date : 12th November 2022

Place : Udaipur

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

S. No.	PARTICULARS	Quarter Ended On			Half Year Ended On		Year Ended On
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Income						
I	a) Revenue from operation	6,099.60	6,313.02	6,770.94	12,412.62	16,831.02	28,356.42
II	b) Other Income	277.07	222.42	254.04	499.50	460.80	985.11
III	Total Income (I+II)	6,376.68	6,535.44	7024.98	12,912.12	17291.82	29341.53
IV	Expenses						
	a) Cost of materials consumed	3,646.84	4,121.23	4,651.19	7,768.07	8,392.36	11,342.45
	b) Purchases of Stock-in-trade	612.16	215.98	144.52	828.14	4,888.45	5,072.41
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(298.08)	(83.39)	53.18	(381.47)	(680.50)	(464.70)
	d) Employee benefits expenses	332.68	299.40	231.03	632.07	437.76	977.17
	e) Finance Cost	118.44	105.65	55.53	224.09	143.52	351.87
	f) Depreciation and amortisation expenses	285.64	287.06	210.27	572.70	418.60	1,079.81
	g) Other expenses	1,449.86	1,288.90	955.03	2,738.76	1,829.86	8,826.31
	Total Expenses	6,147.55	6,234.82	6300.74	12,382.36	15430.04	27185.33
V	Profit before exceptional Items and Tax (III-IV)	229.13	300.62	724.23	529.76	1861.77	2156.21
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	229.13	300.62	724.23	529.76	1861.77	2156.21
VIII	Tax Expense						
	(1) Current Tax	(29.29)	143.95	134.58	114.65	361.44	457.10
	(2) Deferred Tax and Other Taxes	85.78	(79.19)	32.01	6.59	105.88	107.43
IX	Net Profit for the period (VII-VIII)	172.64	235.86	557.65	408.52	1394.45	1591.68
X	Other Comprehensive Income						
	(i) Items that will not be reclassified to Profit or Loss, net of tax	64.81	(62.62)	43.37	2.19	66.79	45.94
	(ii) Items that will be reclassified to Profit or Loss, net of tax	-	-	-	-	-	-
XI	Total Income for the period (IX+X)	237.45	173.25	601.02	410.71	1461.25	1637.62
XII	Paid-up Equity Share Capital (Face Value INR 10 each)	344.63	344.63	344.63	344.63	344.63	344.63
	Reserves Excluding revaluation reserve as per Balance Sheet of Previous Accounting Year						36352.30
XIII	Earning Per Share in INR						
	a) Basic	5.01	6.84	16.18	11.85	40.46	46.19
	b) Diluted	5.01	6.84	16.18	11.85	40.46	46.19
By order of the Board For PACIFIC INDUSTRIES LIMITED							
Date : 12th November 2022		J.P. AGARWAL (Chairman & Managing Director)			SACHIN SHAH (COMPANY SECRETARY)		
Place : Udaipur		(DIN 00386183)			(PAN: CFLPS2451B)		

Consolidated Cash Flow Statement for the Half Year ended 30th September, 2022

Particulars	As At 30.09.2022	As At 30.09.2021	Year ended 31.03.2022
A. Cash flow from Operating Activities			
Profit before income tax	529.76	1,861.77	2,156.21
Adjustment for			
Depreciation and amortisation expenses	572.70	418.60	1,079.81
Pre-Operative Expenses	-	-	-
Profit on sale of Fixed Assets	0.09	(2.42)	2.69
Loss on sale of Fixed Assets	-	-	-
Loss on FVTPL	-	-	-
Loss on Sale Of Share	-	-	-
Finance Costs	224.09	143.52	351.87
Actuarial Gain/ (Loss)	-	-	(6.26)
Interest Income	(581.29)	(164.68)	(992.54)
Change in operating assets and liabilities			
(Increase) in Inventories	202.83	(651.20)	(732.18)
(Increase)/Decrease in Trade receivables	(692.94)	(1,130.90)	(176.63)
(Increase)/Decrease in financial assets	1.27	2.10	0.93
(Increase)/Decrease in Other Current Assets	19.46	(597.15)	(587.24)
Increase/(Decrease) in Provisions	(157.98)	50.22	(3.64)
Increase/(Decrease) in Trade Payables	19.25	786.03	1,008.45
Increase/(Decrease) in Other Current Liabilities	334.76	(92.88)	(288.63)
Increase/(Decrease) in Other Financial Liabilities	(63.21)	329.59	(749.66)
Cash generated from operations	408.79	952.59	1,063.18
Income Tax paid	(234.70)	(41.73)	(421.09)
Net cash flow from operating activities	174.09	910.86	642.09
B. Cash flow from Investing Activities			
Purchase of Fixed Assets	(475.74)	(2,179.03)	(3,053.80)
Sale of Fixed Assets	0.13	12.45	10.59
(Increase)/Decrease in Fixed Deposits	114.96	(75.20)	(261.91)
(Increase)/Decrease in Long term Loans & advances	(1.90)	124.12	(2,307.95)
(Increase)/Decrease in Loans & Advances	(226.86)	247.01	1,148.26
(Increase)/Decrease in Other Non-current Assets	(288.15)	85.23	37.73
(Purchase)/Sale of Investments	(5.10)	(147.01)	(675.17)
Interest Income	581.29	164.68	992.54
Net cash flow from investing activities	(301.37)	(1,767.75)	(4,109.71)

C.	Cash flow from financing activities			
	Increase in Long Term Borrowings	(232.34)	615.70	310.62
	Increase in Short Term Borrowings	529.23	23.44	2,729.79
	Finance Costs	(224.09)	(143.52)	(351.87)
	Net cash flow from financing activities	72.80	495.63	2,688.54
	Net increase / (decrease) in cash and cash equivalents	(54.48)	(361.26)	(779.08)
	Cash and cash equivalents at the beginning of the year	347.07	1,126.15	1,126.15
	Cash and cash equivalents at the end of the year	292.59	764.89	347.07
For and on behalf of Board of Directors Pacific Industries Limited				
Date : 12th November 2022		(J.P. Agarwal)	(Sachin Shah)	
Place : Udaipur		(Chairman & Managing Director)	(Company Secretary)	
		DIN:00386183	(PAN : CFLPS2451B)	

**CONSOLIDATED SEGMENT REPORT FOR THE QUARTER AND HALF YEAR ENDED
ON SEPTEMBER 30, 2022**

	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30 Sept.'22 (Unaudited)	30 June'22 (Unaudited)	30 Sept.'21 (Unaudited)	30 Sept.'22 (Unaudited)	30 Sept.'21 (Unaudited)	31 March'22 (Audited)
1	Segment Revenue						
	A. Stone - Granite & Quartz	7,614.24	7,291.30	6,986.11	19,323.93	12,364.57	24,534.46
	B. Trading Other than Stone - Granite & Quartz	-	-	6.21	-	5,062.53	5,062.53
	C. Investment & Finance	114.44	98.15	124.82	212.59	264.33	383.21
	D. Other Services	-	-	-	-	-	-
	Total	7,728.68	7,389.45	7,117.14	19,536.52	17,691.43	29,980.19
	Less : Inter Segment Elimination	1,629.08	1,076.43	346.20	2,705.51	860.41	1,623.77
	Revenue From Operations (Excluding Other Income)	6,099.60	6,313.02	6,770.94	16,831.02	16,831.02	28,356.42
2	Segment Results						
	Profit/Loss Before Charging Unallocable Expenditures						
	A. Stone - Granite & Quartz	188.90	243.33	650.84	351.66	1,839.07	2,042.01
	B. Trading Other than Stone - Granite & Quartz	-	-	0.86	-	166.22	-
	C. Investment & Finance	158.67	162.94	128.05	321.61		521.35
	D. Other Services		-	-	-		-
	Unallocable Expenses (Finance Cost)	118.44	105.65	55.53	143.52	143.52	351.87
	TOTAL	229.13	300.62	724.22	529.76	1,861.77	2,211.50
	Less : Inter Segment Elimination	-	-	-	-		55.29
	Total Profit (Before Tax & OCI)	229.13	300.62	724.22	529.76	1,861.77	2,156.21
3	Segment wise capital employed (Segment Assets-Segment Liabilities)						
	A. Stone - Granite & Quartz	17,366.49	18,099.85	27,073.57	17,366.49	27,073.57	17,641.21
	B. Trading Other than Stone - Granite & Quartz	1.77	1.77	6.43	1.77	6.43	1.77
	C. Investment & Finance	27,830.03	27,177.34	19,515.46	27,830.03	19,515.46	27,136.69
	D. Other Services	-	-	109.24	-	109.24	69.24
	Less : Inter Segment Elimination	5,779.87	5,696.87	7,262.82	5,779.87	7,262.82	5,608.53
	Total	39,418.43	39,582.09	39,441.88	39,418.43	39,441.88	39,240.38

By order of the Board
For PACIFIC INDUSTRIES LIMITED

Date : 12th November 2022
Place : Udaipur

J.P. AGARWAL
(Chairman & Managing
Director)
(DIN 00386183)

SACHIN SHAH
(COMPANY SECRETARY)
(PAN CFLPS2451B)

Notes to Consolidated Financial Statements of PACIFIC INDUSTRIES LIMITED

1 These Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30th, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective Meeting held on November 12th, 2022.

2 These Unaudited Consolidated financial results have been prepared in accordance with the recognition and measurement principles under Ind AS as prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

3 Segment results in accordance with Ind AS 108-Operating Segment are given in Annexure attached.

4 Figures for the previous periods have been regrouped and/or reclassified wherever necessary to make them comparable with those of current periods.

5 Fair Value of Investments in Unquoted Securities/Other Interest has been determined on the basis of latest available audited financial Statements of the respective Investments.

By order of the Board
For PACIFIC INDUSTRIES LIMITED

Date : 12th November 2022
Place : Udaipur

J.P. AGARWAL
(Chairman & Managing
Director)

SACHIN SHAH
(COMPANY SECRETARY)

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information on standalone the basis of standalone financials.

Accounting Ratios

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31, 2022	March 31, 2021
Earnings per Equity Share		
a. Basic earnings per Equity Share	46.19	30.22
b. Diluted earnings per Equity Share	46.19	30.22
Return on Net Worth	4.3%	3.0%
Net asset value per Equity Share	1064.81	1019.41
EBITDA	2602.78	1872.10

(₹ in lakh except percentage data)

Particulars	As at and for	
	September 30, 2022 (Half yearly)	September 30, 2021 (Half yearly)
Earnings per Equity Share		
a. Basic earnings per Equity Share	11.85	40.46
b. Diluted earnings per Equity Share	11.85	40.46
EBITDA	827.05	1963.09

The ratios have been computed as below:

Ratios	Computation
Basic and Diluted Earnings Per Share	Profit attributable to shareholder / Total number of weighted average number of shares
Return on Net Worth (%)	Profit for the Year / Net Worth
Net Asset Value per Share	Net Worth / Number of shares as at the end of the relevant period
EBITDA	Profit before tax + depreciation and amortization expenses and finance cost +share of profit from associates-other income

Calculation of Earning per Equity Share

(₹ in lakh)

Particulars	As at and for	
	March 31, 2022	March 31, 2021
Profit attributable to Equity shareholders (A)	1,591.68	1,041.34

Weighted average number of equity shares outstanding at the end of the period (B)	34,46,325	34,46,325
Basic and Diluted EPS (A)/(B)*10⁵	46.18	30.22

Particulars	As at and for	
	September 30, 2022 (Half yearly)	September 30, 2021 (Half yearly)
Profit attributable to Equity shareholders (A)	408.52	1394.45
Weighted average number of equity shares outstanding at the end of the period (B)	34,46,325	34,46,325
Basic and Diluted EPS (A)/(B)*10⁵	11.85	40.46

Calculation of Return on Net Worth

(₹ in lakh)

Particulars	As at and for	
	March 31, 2022	March 31, 2021
Profit / (loss) after tax (A)	1,591.68	1,041.34
Net Worth (B)	36,696.93	35,132.24
Return on Net-Worth (A/B)	4.3%	3.0%

Particulars	As at and for	
	September 30, 2022 (Half yearly)	September 30, 2021 Half yearly)
Profit / (loss) after tax (A)	408.52	1,394.45
Net Worth (B)	36,762.70	36,248.72
Return on Net-Worth (A/B)	1.1%	3.8%

Calculation of Net Worth and Net Asset Value per Equity Share

(₹ in lakh except share data)

Particulars	As at and for	
	March 31, 2022	March 31, 2021
Equity share capital (A)	344.63	344.63
Other equity (B)	36,352.30	34,787.61
Net-Worth (C) = (A+B)	36,696.93	35,132.24
Number of Equity shares as at the end of the relevant period (D)	34,46,325	34,46,325
Net Asset Value per Equity Share ((C*10⁵) / D)	1064.81	1019.41

Particulars	As at and for	
	September 30, 2022 (Half yearly)	September 30, 2021 (Half yearly)
Equity share capital (A)	344.63	344.63
Other equity (B)	36,762.70	36,248.72
Net-Worth (C) = (A+B)	37,107.33	36,593.35
Number of Equity shares as at the end of the relevant period (D)	34,46,325	34,46,325
Net Asset Value per Equity Share $((C \times 10^5) / D)$	1076.72	1061.81

Calculation of EBITDA

(₹ in lakh)

Particulars	As at and for	
	March 31, 2022	March 31, 2021
PROFIT BEFORE TAX	2156.21	1499.19
Depreciation & Amortization	1079.81	844.20
Finance Cost	351.87	289.22
Share of profit from other associates	36.05	210.03
Less : other Income	949.06	550.48
EBITDA	2602.78	1872.10

(₹ in lakh)

Particulars	As at and for	
	September 30, 2022 (Half yearly)	September 30, 2021 (Half yearly)
PROFIT BEFORE TAX	529.76	1861.77
Depreciation & Amortization	572.70	418.60
Finance Cost	224.09	143.52
Share of profit from other associates	0.00	0.00
Less : other Income	499.50	460.80
EBITDA	827.05	1963.09

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal ended March 31, 2022 and March 31, 2021 and our limited review unaudited financial results for the 6 months ended September 30, 2022 and September 30, 2021, included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2022 and Fiscal 2021, and our limited review unaudited financial results for the 6 months ended September 30, 2022 and September 30, 2021 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the audited financial statements and limited review unaudited financial results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward - looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward - Looking Statements" on pages 24 and 19 respectively.

Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Pacific Industries Limited.

Neither we, nor the LMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information.

OVERVIEW OF OUR BUSINESS

Our Company is presently engaged in production and export of polished granites slabs, cut-to-size polished granite tiles, polished marble slabs, polished natural stones and quartz slabs. It also trades and export in granite / marble slabs & tiles, rough granite / marble blocks, sandstone, slate stone and all other kinds of stone.

Our Company in the year 2018-2019 had ventured into Quartz business in the brand name of 'TANNJ QUARTZ'. Quartz is one of the hardest natural materials on earth and appears similar to that of granite. The key distinguishing factors of Quartz is that they are naturally scratch and stain resistant and non-porous. Quartz surfaces are produced by Pacific Industries Limited by combining pure natural quartz, resin and other raw materials that are extraordinarily hard and resilient. These characteristics combine to create an ideal surface for kitchen countertops, bathrooms and other interior vertical applications. Demand for quartz has grown due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties

Currently our Company is producing the Quartz slabs from two press-lines and one calibration cum polish line. The demand for Super Jumbo Size specially from United States of America (USA) has increased and looking to the current market trend, production of more Super Jumbo slabs are required to meet the demand of the Clients in both Mono Color, Multicolor and Marble based designs. With existing two press- lines and one calibration cum polish line, our Company is finding it difficult to manage timely production due to multiple design order execution and hence our Company has

undertaken the expansion in Quartz project by installing third Press-line and second calibration cum press-line. With the present expansion plans, our Company is sure to meet the enhanced demand for Super Jumbo slabs in both Mono Color, Multicolor and Marble based designs from the Clients.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022

To our knowledge and belief, no circumstances other than those disclosed in this letter of offer have arisen since the date of the last financial statements contained in this letter of offer which materially affect or is likely to affect, the trading and profitability of our company, or the value of our assets or our ability to pay material liabilities within the next 12 months

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 24. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- The impact of COVID - 19 pandemic;
- Geo political factor across the globe.
- Factors affecting the marble, granite and quartz industry;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.
- Changes in duties including anti-dumping duties on the products Company deals in.

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2022, as required by Ind AS 1 and other applicable standards, see section titled "Financial Information" on page 108

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter "Financial Information" on page 108, there has been no change in accounting policies during the 6 Months ended September 30, 2022 and during the Fiscal 2022.

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth certain information with respect to our results of operations for the periods indicated on standalone and consolidated basis.

Standalone Basis

Particulars	Six months ended on September 30, 2022		Six months ended on September 30, 2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	12,149.12	99%	16,659.19	99%
Other Income	167.79	1%	207.51	1%
Total Revenue	12,316.91	100%	16,866.70	100%
Cost of Goods Sold	8,134.70	66%	12,558.88	74%
Employee Benefit Exp	435.92	4%	401.60	2%
Other Exp	2,629.59	21%	1,728.86	10%
Finance Cost	435.55	4%	304.56	2%
Depreciation and Amortization Exp	570.02	5%	415.45	2%
Total Exp	12,205.78	99%	15,409.35	91%
Profit/(Loss) before tax	111.13	1%	1,457.35	9%
Net Tax Exp	26.91	0%	370.57	2%
Profit/(Loss) after tax	84.22	1%	1,086.78	6%

OVERVIEW OF RESULTS OF OPERATION

On Standalone basis for 6 months ended September 30, 2022, compared to 6 months ended September 30, 2021

Total Revenue

Our total revenue for the 6 months ended September 30, 2022, was ₹12,316.91 lakhs as compared to ₹16,866.70 lakhs for the 6 months ended September 30, 2021, representing a decrease of 26.97%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the 6 months ended September 30, 2022, was ₹12,149.12 lakhs as compared to ₹16,659.19 lakhs for the 6 months ended September 30, 2021, representing a decrease of 27.07%. This was primarily due to no sales in our segment trading other than quartz and granite

Other Income

Other income for the 6 months ended September 30, 2022, was ₹167.79 Lakhs as compared to ₹207.51 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 19.41%. The decrease is pertaining to other non-recurring income.

Total Expenses

Our total expenditure for the 6 months ended September 30, 2022, was ₹12,205.78 Lakhs as compared to ₹ 15,409.35 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 20.79%.

Total expenditure comprises of :

Cost of Goods Sold

The cost of goods sold for the 6 months ended September 30, 2022, was ₹8,134.70 Lakhs as compared to ₹ 12,558.88 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 35.23%. This was due to decrease in sales of other traded items

Employee Benefit Expenses

Employee benefit expense for the 6 months ended September, 2022, was ₹ 435.92 Lakhs as compared to ₹ 401.60 Lakhs for the 6 months ended September 30, 2021, representing an increase of 8.55%. This increase was mainly due to increase in remuneration of employees

Other Expenses

The other expenses for the 6 months ended September 30, 2022, was ₹ 2,629.59 Lakhs as compared to ₹ 1,728.86 Lakhs for the 6 months ended September 30, 2021, representing an increase of 52.10%. This increase was mainly on account of increase in freight & logistic cost.

Finance Cost

Finance costs for the 6 months ended September 30, 2022, was ₹ 435.55 Lakhs as compared to ₹ 304.56 Lakhs for the 6 months ended September 30, 2021, representing an increase of 43.01%. The increase in the finance cost was due to increase in borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense for the 6 months ended September 30, 2022, was ₹ 570.02 Lakhs as compared to ₹ 415.45 Lakhs for the 6 months ended September 30, 2021, representing an increase of 37.21% The increase in depreciation was because of addition of Plant and Machinery.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the 6 months ended September 30, 2022, was ₹ 111.13 Lakhs as compared to ₹ 1,457.35 for the 6 months ended September 30, 2021, representing a decrease of 92.37% The decrease in profits was primarily on account of decrease in revenue of the Company, and increase of expenses due to challenging global environment

Tax Expenses

Tax expense for the 6 months ended September 30, 2022, was ₹ 26.91 Lakhs as compared to ₹ 370.57 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 92.74%. The decrease in the tax expenses was due to decrease in business profits.

Profit/(Loss) After Tax

The profit/(loss) after tax for the 6 months ended September 30, 2022, was ₹ 84.22 Lakhs as compared to ₹ 1086.78 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 92.25%. This decrease in profit after tax was on account of the reasons discussed above.

Fiscal 2022 compared to Fiscal 2021

Particulars	Fiscal 2022		Fiscal 2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	28,202.57	99%	17,675.26	97%
Other Income	423.95	1%	499.24	3%
Total Revenue	28,626.52	100%	18,174.50	100%
Cost of Goods Sold	16,089.72	56%	8,342.63	46%
Manufacturing exp	5,938.29	21%	4,038.81	22%
Employee Benefit Exp	849.35	3%	837.39	5%
Administrative Exp	598.65	2%	1,432.12	8%
Selling & Distribution Exp	2080.73	7%	950.92	5%
Finance Cost	662.59	2%	593.19	3%
Depreciation and Amortization Exp	1088.32	4%	838.97	5%
Total Exp	27,307.65	95%	17,034.03	94%
Profit/(Loss) before tax	1,318.87	5%	1,140.47	6%
Net Tax Exp	374.37	1%	364.11	2%
Profit/(Loss) after tax	944.50	3%	776.36	4%

OVERVIEW OF RESULTS OF OPERATION

On Standalone basis for the Fiscal 2022, compared to Fiscal 2021

Total Revenue

Our total revenue for the Fiscal 2022, was ₹ 28,626.52 lakhs as compared to ₹ 18,174.50 lakhs for the Fiscal 2021, representing an increase of 57.51%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2022, was ₹ 28,202.57 Lakhs as compared to ₹ 17,675.26 Lakhs for the Fiscal 2021, representing an increase of 59.56%. This was primarily due to significant increase in exports sale of Quartz

Other Income

Other income for the Fiscal 2022, was ₹ 423.95 Lakhs as compared to ₹ 499.24 Lakhs for the Fiscal 2021, representing decrease of 15.08%. The decrease was pertaining to other non-recurring income like interest, and other non-recurring income.

Total Expenses

Our total expenditure for the Fiscal 2022, was ₹ 27,307.65 Lakhs as compared to ₹ 17,034.03 Lakhs for the Fiscal 2021, representing an increase of 60.31% Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2022, was ₹ 16,089.72 Lakhs as compared to ₹ 8342.63 Lakhs for the Fiscal 2021, representing an increase of 92.86%. This was due to increase in raw material prices and to commensurate to the increase in overall sales.

Manufacturing Expenses

The manufacturing expenses for the Fiscal 2022 was ₹ 5,938.29 Lakhs as compared to ₹ 4,038.81 Lakhs for the Fiscal 2021, representing an increase of 47.03%. Higher manufacturing cost was mainly due to increase in overall sales

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2022 was ₹849.35 Lakhs as compared to ₹ 837.39 Lakhs for the Fiscal 2021, representing an increase of 1.43% This increase was mainly because of increase in remuneration of employees.

Administrative Expenses

The administrative expenses for the Fiscal 2022, was ₹ 598.65 Lakhs as compared to ₹ 1432.12 Lakhs for Fiscal 2021, representing a decrease of 58.20%. This decrease was mainly because of decrease in debtors written off during the year

Selling & Distribution Expenses

The selling and distribution expenses for the Fiscal 2022, was ₹ 2080.73 Lakhs as compared to ₹ 950.92 Lakhs for the Fiscal 2021, representing an increase of 118.81%. This increase was mainly on account of Freight and Forwarding Expenses which increased due to growth in export sales of quartz.

Finance Cost

Finance costs for the Fiscal 2022, was ₹ 662.59 Lakhs as compared to ₹ 593.19 Lakhs for the Fiscal 2021, representing an increase of 11.70%. The increase in finance cost was due to increase in borrowing cost.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2022, was ₹ 1088.32 Lakhs as compared to ₹ 838.97 Lakhs for the Fiscal 2021, representing an increase of 29.72%. The increase in depreciation was because of addition of Plant and Machinery and Land and Building

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2022, was ₹ 1,318.87 Lakhs as compared to ₹ 1,140.47 Lakhs for the Fiscal 2021 representing an increase of 15.64%. The increase in profits was primarily on account of increase in revenue of the Company, recovery in gross margin and optimizing the operational expenses to maximize the Company profitability.

Tax Expenses

Tax expenses for the Fiscal 2022, was ₹ 374.37 Lakhs as compared to ₹ 364.11 Lakhs for the Fiscal 2021, representing an increase of 2.82%. The increase in the tax expenses was due to increase in business profits in FY 2021-22

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2022, was ₹ 944.50 Lakhs as compared to ₹ 776.36 Lakhs for the Fiscal 2021, representing an increase of 21.66%. This increases in profit after tax was on account of the reasons discussed above

Consolidated Basis

Particulars	Six months ended on September 30, 2022		Six months ended on September 30, 2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	12,412.62	96%	16,831.02	97%
Other Income	499.50	4%	460.80	3%
Total Revenue	12,912.12	100%	17,291.82	100%
Cost of Goods Sold	8,214.74	64%	12,600.31	73%
Employee Benefit Exp	632.07	5%	437.76	3%
Other Exp	2,738.76	21%	1,829.86	11%
Finance Cost	224.09	2%	143.52	1%
Depreciation and Amortization Exp	572.70	4%	418.60	2%
Total Exp	12,382.36	96%	15,430.05	89%
Profit/(Loss) before tax	529.76	4%	1,861.77	11%
Net Tax Exp	121.24	1%	467.32	3%
Profit/(Loss) after tax	408.52	3%	1,394.45	8%

OVERVIEW OF RESULTS OF OPERATION

On Consolidated basis for 6 months ended September 30, 2022, compared to 6 months ended September 30, 2021

Total Revenue

Our total revenue for the 6 months ended September 30, 2022, was ₹12,912.12 lakhs as compared to ₹17,291.82 lakhs for the 6 months ended September 30, 2021, representing a decrease of 25.33%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the 6 months ended September 30, 2022, was ₹12,412.62 lakhs as compared to ₹16,831.02 lakhs for the 6 months ended September 30, 2021, representing a decrease of 26.25%. This was primarily due to no sales in our segment of trading other than quartz and granite.

Other Income

Other income for the for the 6 months ended September 30, 2022, was ₹499.50 Lakhs as compared to ₹460.80 Lakhs for the 6 months ended September 30, 2021, representing an increase of 8.40%. The increase is pertaining to other non-recurring income.

Total Expenses

Our total expenditure for the 6 months ended September 30, 2022, was ₹12,382.36 Lakhs as compared to ₹ 15,430.05 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 19.75%. Total expenditure comprises of

Cost of Goods Sold

The cost of goods sold for the 6 months ended September 30, 2022, was ₹8,214.74 Lakhs as compared to ₹ 12,600.31 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 34.81%. This was due to decrease in sales of other traded items

Employee Benefit Expenses

Employee benefit expense for the 6 months ended September 30, 2022, was ₹ 632.07 Lakhs as compared to ₹ 437.76 Lakhs for the 6 months ended September 30, 2021, representing an increase of 44.83%. This increase was mainly due to increase in no. of employees

Other Expenses

The other expenses for the 6 months ended September 30, 2022, was ₹ 2,738.76 Lakhs as compared to ₹ 1,829.86 Lakhs for the 6 months ended September 30, 2021, representing an increase of 49.67%. This increase was mainly on account of increase in freight & logistic cost.

Finance Cost

Finance costs for the 6 months ended September 30, 2022, was ₹ 224.09 Lakhs as compared to ₹ 143.52 Lakhs for the 6 months ended September 30, 2021, representing an increase of 56.14%. The increase in the finance cost was due to increase in borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense for the 6 months ended September 30, 2022, was ₹ 572.70 Lakhs as compared to ₹ 418.60 Lakhs for the 6 months ended September 30, 2021, representing an increase of 36.81% The increase in depreciation was because of addition of Plant and Machinery

Profit/(Loss) Before Tax

The profit/(loss) before tax for the 6 months ended September 30, 2022, was ₹ 529.76 Lakhs as compared to ₹ 1394.45 for the 6 months ended September 30, 2021, representing a decrease of 74.06% The decrease in profits was primarily on account of decrease in revenue of the Company, and increase of expenses due to challenging global environment

Tax Expenses

Tax expense for the 6 months ended September 30, 2022, was ₹ 121.24 Lakhs as compared to ₹ 467.32 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 74.06%. The decrease in the tax expenses was due to decrease in business profits.

Profit/(Loss) After Tax

The profit/(loss) after tax for the 6 months ended September 30, 2022, was ₹ 408.52 Lakhs as compared to ₹ 1394.45 Lakhs for the 6 months ended September 30, 2021, representing a decrease of 70.70% This decrease in profit after tax was on account of the reasons discussed above.

Fiscal 2022 compared to Fiscal 2021

Particulars	Fiscal 2022		Fiscal 2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	28,356.42	97%	17,825.92	96%
Other Income	985.11	3%	760.51	4%
Total Revenue	29,341.53	100%	18,586.43	100%
Cost of Goods Sold	15,950.16	54%	8,338.43	45%
Manufacturing exp	5,938.29	20%	4,038.81	22%
Employee Benefit Exp	977.17	3%	926.12	5%
Administrative Exp	774.85	3%	1,671.86	9%
Selling & Distribution Exp	2113.18	7%	978.6	5%

Finance Cost	351.87	1%	289.22	2%
Depreciation and Amortization Exp	1079.81	4%	844.2	5%
Total Exp	27,185.32	93%	17,087.24	92%
Profit/(Loss) before tax	2,156.21	7%	1,499.19	8%
Net Tax Exp	564.53	2%	457.85	2%
Profit/(Loss) after tax	1,591.68	5%	1,041.34	6%

OVERVIEW OF RESULTS OF OPERATION

On Consolidated basis for the Fiscal 2022, compared to Fiscal 2021

Total Revenue

Our total revenue for the Fiscal 2022, was ₹ 29,341.53 lakhs as compared to ₹18,586.43 lakhs for the Fiscal 2021, representing an increase of 57.87% Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2022, was ₹ 28,356.42 Lakhs as compared to ₹ 17,825.92 Lakhs for the Fiscal 2021, representing an increase of 59.07%. This was primarily due to significant increase in exports sale of Quartz

Other Income

Other income for the Fiscal 2022, was ₹ 985.11 Lakhs as compared to ₹ 760.51 Lakhs for the Fiscal 2021, representing increase of 29.53%. The increase was pertaining to other non-recurring income like interest income, and other non-recurring income

Total Expenses

Our total expenditure for the Fiscal 2022, was ₹ 27,185.32 Lakhs as compared to ₹ 17,087.24 Lakhs for the Fiscal 2021, representing an increase of 59.10% Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2022, was ₹ 15,950.16 Lakhs as compared to ₹ 8,338.43 Lakhs for the Fiscal 2021, representing an increase of 91.28%. This was due to increase in raw material prices and to commensurate to the increase in overall sale

Manufacturing Expenses

The manufacturing expenses for the Fiscal 2022 was ₹ 5,938.29 Lakhs as compared to ₹ 4,038.81 Lakhs for the Fiscal 2021, representing an increase of 47.03%. Higher manufacturing cost was mainly due to increase in overall sales.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2022 was ₹ 977.17 Lakhs as compared to ₹ 926.12 Lakhs for the Fiscal 2021, representing an increase of 5.51%. This increase was mainly because of increase in no. of employees.

Administrative Expenses

The administrative expenses for the Fiscal 2022, was ₹ 774.85 Lakhs as compared to ₹ 1671.86 Lakhs for Fiscal 2021, representing a decrease of 53.65%. This decrease was mainly because of decrease in debtors written off during the year.

Selling & Distribution Expenses

The selling and distribution expenses for the Fiscal 2022, was ₹ 2113.18 Lakhs as compared to ₹ 978.60 Lakhs for the Fiscal 2021, representing an increase of 115.94%. This increase was mainly on account of Freight and Forwarding Expenses which increased due to growth in export sales of quartz.

Finance Cost

Finance costs for the Fiscal 2022, was ₹ 351.87 Lakhs as compared to ₹ 289.22 Lakhs for the Fiscal 2021, representing an increase of 21.66%. The increase in finance cost was due to increase in borrowing cost.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2022, was ₹ 1079.81 Lakhs as compared to ₹ 844.20 Lakhs for the Fiscal 2021, representing an increase of 27.91%. The increase in depreciation was because of addition of Plant and Machinery and Land and Building.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2022, was ₹ 2,156.21 Lakhs as compared to ₹ 1,499.19 Lakhs for the Fiscal 2021 representing an increase of 43.83%. The increase in profits was primarily on account of increase in revenue of the Company, recovery in gross margin and optimizing the operational expenses to maximize the Company profitability.

Tax Expenses

Tax expenses for the Fiscal 2022, was ₹ 564.53 Lakhs as compared to ₹ 457.85 Lakhs for the Fiscal 2021, representing an increase of 23.30%. The increase in the tax expenses was due to increase in business profits in FY 2021-22

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2022, was ₹ 1,591.68 Lakhs as compared to ₹ 1,041.33 Lakhs for the Fiscal 2021, representing an increase of 52.85%. This increases in profit after tax was on account of the reasons discussed above.

SECTION VIII – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company and its Subsidiaries are involved in certain legal proceedings from time to time, primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions, which are pending before various authorities. Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and/or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; and (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

For the purpose of the Issue, all outstanding civil litigations have been considered as material and accordingly, have been disclosed in this chapter.

Pre-litigation notices received by our Company and/or our Subsidiaries from third-parties have not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

A. Proceedings involving issues of moral turpitude or criminal liability on part of our Company and/or our Subsidiaries

NIL

B. Matter involving material violations of statutory regulations by our Company and/or our Subsidiaries

NIL

C. Economic offences where proceedings have been initiated against our Company and/or our Subsidiaries

NIL

D. Pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company and/or our Subsidiaries

1. Company

(a) Criminal Litigation

NIL

(b) Civil Litigation**1. Narasimharaju. T.N vs. Management of Pacific Industries Limited (ID ACT 83/2017)**

Mr. Narasimharaju. T.N (“**Petitioner**”) submitted an application on 15.11.2017 before the Court of the Hon’ble First Additional District and Sessions Judge Court, Bangalore Rural District, Bangalore, under section 10(4-A) of the Industrial Disputes (Karnataka Amendment) Act, 1987 read with section 2-A of Industrial Disputes Act, 1947 against dismissal of the Petitioner passed by our Company in an order dated 17.08.2017 on grounds of wilful damage, harassment etc. The matter is currently pending for adjudication.

2. Narendra Singh vs. Om Singh and Others (MACT 530/2021) and Vikas vs. Om Singh and Others (MACT 531/ 2021)

The above referred cases have been registered before the Motor Vehicle Act Tribunal against Om Singh (a driver on rolls of our Company) and our Company under Section 166 of the Motor Vehicle Act, 1988 in relation to the accident involving the said driver of Our Company while he was driving our Company’s vehicle. The matter is currently pending for adjudication.

3. Pacific Industries Limited & Anr. vs. State of Rajasthan & Ors. [(APPLW / 5382 / 2016) and (APPLW / 5383 / 2016)]

Under the said writ petition, Our Company and another company, Ojaswi Marbles & Granites Pvt. Ltd, have challenged the action of the Central Government of considering the applications filed by Our Company for grant of prior approval of the Central Government under Section 5 (1) of the Mines & Minerals (Development and Regulation) Act of 1957 (“**M&M Act**”) as ineligible. Our Company and Ojaswi Marbles & Granites Pvt had made applications for three (3) mining leases – one (1) by Ojaswi Marbles & Granites and, the other two (2) by Our Company. The applications were recommended by the Government of Rajasthan for grant of prior approval of the Central Government under Section 5 (1) of the M&M Act. The application filed by Ojaswi Marbles & Granites Pvt. Ltd was granted approval by the Central Government whereas the other two (2) applications, by Our Company, remained pending for consideration. In the meanwhile, the Mines & Minerals (Development & Regulation) Amendment Act, 2015 (“**Amendment Act**”) came in effect and inserted Section 10-A under the M&M Act. Section 10-A, subject to certain exceptions, declared all applications received prior to the enactment of Amendment Act as ineligible. In the light of the said Amendment Act, the Central Government concluded that the applications filed by Our Company had become ineligible. Upon this, the Government of Rajasthan requested the Central Government that the proposal made by it for seeking prior approval of the Central Government be treated as 'Letter of Intent' in favor of the applicant and accordingly, the applications filed by Our Company should be treated as eligible, being covered by the exception under Section 10-A (2) (c) of the M&M Act. Thereafter, the Central Government informed the State Government that their contention was untenable and the applications cannot be treated as eligible under Section 10-A (2) (c) of the Act. The said action of the Central Government has been challenged under the said Writ Petition. By an order dated 08.02.2018, the Hon’ble High Court of Rajasthan adjourned the matter *sine die* because the issue involved in the petition was pending before the Hon’ble Supreme Court.

4. **The Union of India vs. M/s Pacific Industries Ltd and Anr. (OTRC/ 2191/ 2001(F))**

Details for the matter are not available with the Company.

5. **M/s. Pacific Industries Ltd. vs. Union of India and Ors. (CW / 13898 / 2005(F))**

Details for the matter are not available with the Company.

(c) Tax Litigation

(i) Outstanding Direct Tax Proceedings

Sr No.	AY	Forum	Citation	Issue/s	Addition in Income (Rs.)	Demand Involved (Rs.)
1.	2018-19	INTIMATI ON U/S 143(1)	CPC/1819/G 22/1919462 052	Differential amount payable on account of differences arising on comparison between return filed by the taxpayer and computation provided u/s 143(1)	54,91,906/-	33,06,170/-
2.	2017-18	INTIMATI ON U/S 143(1)	CPC/1718/G 22/1809773 414	Differential amount payable on account of disallowance under section 43B between return filed by the taxpayer and computation provided u/s 143(1)	68,482/-	-
3.	All A.Y. until now.	TDS Default statement	-	Interest on short payment, Late filing fee & Penalty for Late filing.	-	37,540/-
4.	All A.Y. until now - PIL Katni.	TDS Default statement	-	Interest on short payment, Late filing fee & Penalty for Late filing.	-	130/-

(ii) Outstanding Indirect Tax Proceedings

1. Details of other pending litigation are as under :

S. No.	Period	Forum	Citation	Issue/s	Amount Involved (Rs.)
1.	2009	Excise: CESTAT Delhi	Excise/1701/2009	<i>Quantification is not possible due to unavailability of records.</i>	

2.	2010	Service Tax: CESTAT Delhi	Service Tax/492/2010	<i>Quantification is not possible due to unavailability of records.</i>	-
3.	2010	Service Tax: CESTAT Delhi	Service Tax/505- 506/2010	<i>Quantification is not possible due to unavailability of records.</i>	
4.	2017	Customs: CESTAT Delhi	Customs/51523/20 17	Actual wastage exceeds SION norms notified for the product.	1,19,15,690/-
5.	2017	Customs: CESTAT Delhi	Customs/51428/20 17	Actual wastage exceeds SION norms notified for the product.	93,26,640/-
6.	2017	Customs: CESTAT Delhi	Customs/51534/20 17	Actual wastage exceeds SION norms notified for the product.	18,70,024/-
7.	April to December 2014	Customs: CESTAT Delhi	Customs/50799/20 19	Actual wastage exceeds SION norms notified for the product.	39,46,743/-
8.	January to September 2015	Customs: CESTAT Delhi	Customs/50800/20 19	Actual wastage exceeds SION norms notified for the product.	31,06,308/-
9.	October 2015 to June 2016	Customs: CESTAT Delhi	Customs/50801/20 19	Actual wastage exceeds SION norms notified for the product.	19,22,577/-
10.	09.10.201 8 to till date	Superintendent - GST	DIN- 20210757YX00000 0FF2A	Refund claimed in contravention of Rule 96(10) of CGST Rules 2017	64,63,672/-
11.	July 2016 to June 2017	SUPERINTEND ENT, CUSTOMS RANGE, UDAIPUR	C. No. : 11-P/1/Cus- Dem/Pacific/2018/ 547	Actual wastage exceeds SION norms notified for the product.	9,29,022/-
12.	As per contingen t liability annexure of Financial Statement	SCN	SCN- Excise Authorities	Availing wrong benefits of exemption notification on imported marble	1,02,00,000/-
13.	As per contingen t liability annexure of Financial Statement	SCN	SCN- Custom Authorities	Availing wrong benefits of exemption notification on imported marble	4,94,00,000/-

2. OUR SUBSIDIARIES

(a) Criminal Litigation

NIL

(b) Civil Litigation

NIL

(c) Tax Litigation

(i) Outstanding Direct Tax Proceedings

GIST MINERALS TECHNOLOGIES LIMITED					
S. No.	A.Y.	Forum	Issue	Proposed Addition in Income (Rs.)	Demand Involved (Rs.)
1.	All A.Y. until now.	TDS Default statement	Interest on short payment, Late filing fee & Penalty for Late filing.		360/-

(ii) Outstanding Indirect Tax Proceedings

NIL

(iii) Other Tax Proceedings

The U.S. Department of Commerce (“**Commerce**”) has announced the preliminary results of its administrative review of quartz surfaces anti-dumping duty in July, 2022. The Commerce has preliminarily determined the anti-dumping duty during the period of review (POR) December 13, 2019, through May 31, 2021. The Commerce has preliminarily determined that the anti-dumping duty for Non-Selected Companies which is applicable on exports done by our Company during the period of review (POR) December 13, 2019, through May 31, 2021, is 161.56% payable by US Importer.

During the period of Review (POR) i.e December 13, 2019 to May 31, 2021, our Subsidiary, Taanj Quartz Inc. has imported Quartz from India of USD 4,75,237. As per the preliminary determination the anti-dumping duty amounts to USD 7,67,792 out of which USD 7,62,945 will be additional amount which our Subsidiary is liable to deposit or adjust from bond (which already given to US Customers). The final determination of the matter is pending by Commerce.

3. OUR KEY MANAGERIAL PERSON

(a) Criminal Litigation

NIL

(b) Civil Litigation

NIL

(c) Tax Litigation

(i) Outstanding Direct Tax Proceedings

<u>1. Mr. J. P. Agarwal</u>					
S. No.	A.Y.	Forum	Issue	Proposed Addition in Income (Rs.)	Demand Involved (Rs.)
1.	2010	IT Department	Interest vide demand reference no. 2019201040402224415T	-	1,45,480/-
<u>2. Mrs. Geeta Agarwal</u>					
1.	2020-21	CPC	Section 143(3)	-	Demand of 5,45,554/- Interest of 16,365/-

(ii) Outstanding Indirect Tax Proceedings

NIL

GOVERNMENT APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting its present business activities. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Except for the following, as on the date of this Letter of Offer, there are no pending material approvals required for the existing business and operations of our Company and our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities and operations. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

I. MATERIAL PENDING GOVERNMENT AND REGULATORY APPROVALS PERTAINING TO THE OBJECT OF THE ISSUE

Since, our Company intends to utilize the Net Proceeds from the Issue towards repayment of unsecured loan availed from the related party and to meet working capital requirements of the Company, no government and regulatory approval pertaining to the Objects of the Issue will be required.

II. PENDING MATERIAL GOVERNMENT AND REGULATORY APPROVALS TO CONDUCT OUR BUSINESS

- (i) Our Company is yet to obtain a registration under Madhya Pradesh Vritti Kar Adhiniyam, 1995 for our branch office situated at Banglow No 4, Anand Vihar Colony, Bargawan Jabalpur Road, Katni – 483773, Madhya Pradesh.
- (ii) Our Company is yet to obtain a separate unit code under Employee State Insurance Act, 1948 for our branch office situated at Banglow No 4, Anand Vihar Colony, Bargawan Jabalpur Road, Katni – 483773, Madhya Pradesh.
- (iii) Our Company is yet to obtain a Stability Certificate under Rule 3-C of Rajasthan Factories Rules, 1951 for Plant at Unit II, Village Bedla, Tehsil Girwa, Udaipur – 313001, Rajasthan.
- (iv) In compliance with the consent to operate under Sections 25/26 of Water (Prevention and Control of Pollution) Act, 1974, our Company is yet to obtain N.O.C. for storage of resins in industry premises from factory and boiler department and explosive department for Plant at Unit II, Village Bedla, Tehsil Girwa, Udaipur – 313001, Rajasthan.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on January 20, 2022, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board, in its meeting held on [•] has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at Rs. [•] per Equity Share (including a premium of Rs. [•] per Equity Share) aggregating up to Rs. [•] crore. The Issue Price is Rs. [•] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date

Our Company has received in-principle approvals from BSE for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [•], respectively. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [•] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see *“Terms of the Issue”* beginning on page 215.

PROHIBITION BY SEBI

Except as disclosed below, our Company, our Promoters, members of the Promoter Group or our Director(s) have not been debarred and are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI:

BSE vide letter no. List/rkk/sna/alf-susp/2002/523483 had suspended the trading in the securities of our Company with effect from January 07, 2002, due to non-compliance of provisions of the Listing Agreement. However, BSE vide Notice No. 20090519-13, revoked the said suspension in trading of equity shares of Our Company with effect from May 25, 2009.

The companies with which our Promoter or our Directors are associated as promoter or directors are not debarred from accessing the capital market by SEBI.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

ASSOCIATION WITH SECURITIES MARKET

We confirm that none of our Director(s) is associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

PROHIBITION BY RBI

Neither our Company nor our Promoter or our Directors have been or are identified as Willful Defaulters or fraudulent borrowers.

ELIGIBILITY FOR THIS ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE Limited (“**BSE**”) is the Designated Stock Exchange for the Issue

COMPLIANCE WITH PART B OF SCHEDULE VI OF THE 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 in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
- 2) The reports, statements and information referred to above are available on the websites of BSE and;
- 3) Our Company has an investor grievance-handling mechanism which includes meeting of the Shareholders’ Relationships Committee at frequent intervals, appropriate delegation of power by our 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 and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED

IN THE LETTER OF OFFER. THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ICDR) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 04.03.2022 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.
- 2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOT APPLICABLE

- 5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. NOT APPLICABLE
- 6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. NOT APPLICABLE
- 7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE
- 8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER(S) TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
- 9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE
- 10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
 - a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING SUPERIOR EQUITY SHARES. COMPLIED WITH; AND

- b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH
- 11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE
- 12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE
- 13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH
- 14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS INCLUDING SEBI CIRCULAR SEBI/HO/CFD/CIR/CFD/DIL/67/2020 DATED APRIL 21, 2020. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. NOT APPLICABLE
- 15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH
- 16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE COMPANY UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE
- 17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our instance of

our Company and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the 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 of our Company and are replying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and 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 this Draft Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF 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 Rajasthan, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of the Issue will be BSE.

DISCLAIMER OF THE BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, is as follows:

[•]

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements any other issue material (collectively, "**Issue Materials**") and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights

Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders who are (i) within the United States and to U.S. Persons that are U.S. QIBs, pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also QPs in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States and to non-U.S. Persons in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer /Letter of Offer/ Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

This 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.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this 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.

If this 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 Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the

date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S, EXCEPT FOR THESE PURPOSES, U.S. PERSONS INCLUDE PERSONS WHO WOULD OTHERWISE HAVE BEEN EXCLUDED FROM SUCH TERM SOLELY BY VIRTUE OF RULE 902(K)(1)(VIII)(B) OR RULE 902(K)(2)(I)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD (I) WITHIN THE UNITED STATES OR TO U.S. PERSONS THAT ARE U.S. QIBS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET OUT IN SECTION 4(A)(2) OF THE U.S. SECURITIES ACT, THAT ARE ALSO QPS IN RELIANCE UPON SECTION 3(C)(7) OF THE U.S. INVESTMENT COMPANY ACT AND (II) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. OUR COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THE U.S. INVESTMENT COMPANY ACT. THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES MAY NOT BE RE-OFFERED, RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S TO A PERSON OUTSIDE THE UNITED STATES AND NOT REASONABLY KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A BONAFIDE SALE ON THE STOCK EXCHANGES).

Neither our Company, nor any person acting on behalf of our Company, 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 behalf of our Company, has reason to believe is, in the United States when the buy order is made (other than persons in the United States who are both U.S. QIBs and QPs). No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States (in each case, other than from persons in the United States who are both U.S. QIBs and QPs) or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since, the size of this Issue falls below the stipulated threshold, the Draft Letter of Offer was filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

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 Listing Agreement.

Our Company has a Stakeholders Relationship Committee which currently comprises of Mr. Pradeep Kumar Jain, Mrs. Neelam Tater and Mrs. Geeta Devi Agarwal. The broad terms of reference include issues related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, approve issue of duplicate certificates and new certificates on split/consolidation/renewal etc., approve transfer/transmission, dematerialization and rematerialization of equity shares in a timely manner and oversee the performance of the Register and Transfer Agents and recommend measures for overall improvement in the quality of investor services; consider and review reports on employee, vendor and customer satisfaction surveys respectively. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. The Investor complaints received by our Company are generally disposed of within 15 working days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. 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 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 on page 215. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Link Intime India Private Limited

Address: C-101, 1st Floor, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083, Maharashtra, India

Telephone: +91 (22) 4918 6000/+91 81081 14949

E-mail Id: pacific.rights@linkintime.co.in

Investor grievance e-mail: pacific.rights@linkintime.co.in

Contact person: Sumeet Deshpande

CIN No.: U67190MH1999PTC118368

Website: www.linkintime.co.in

SEBI registration number: INR000004058

Company Secretary and Compliance Officer

Name: Mr. Sachin Shah

Address: Village Bedla, Udaipur-313001

Telephone: 0294-2440933, 2440388

Email: companysecretary@pacificindustriesltd.com

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 (22) 4918 6000.

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications 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 investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid email address and in case such Eligible 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 or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can also 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 Rights Equity Shares under applicable securities laws) on the websites of:

- i. our Company at www.pacificindustriesltd.com ;
- ii. the Registrar at www.linkintime.co.in ;
- iii. the Lead Manager at www.srujanalpha.com ;
- iv. the Stock Exchange at www.bseindia.com ;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.pacificindustriesltd.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

a. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI – Rights Issue Circulars and 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, please refer to the Paragraph titled ‘Procedure for Application through the ASBA Process’ on page 228 of this Letter of Offer.

ASBA facility

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and the 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, refer “Procedure for Application through the ASBA Process.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such

Applications before making their Application through the ASBA process. For details, Paragraph titled 'Procedure for Application through the ASBA Process.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" on page 243. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 232 of this Letter of Offer.

b. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

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 Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, "**LIPL PACIFIC INDUSTRIES RIGHTS 2022 ESCROW DEMAT ACCOUNT**") opened by our Company, for the Resident 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 Resident 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.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e., [•] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue

Closing Date i.e., [•], in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date [•] shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

c. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form” on page 236 in “Terms of the Issue”.

d. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment” beginning on page 246.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

e. Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounce on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “Procedure for Application through the ASBA process” on page 228 of this Letter of Offer.

f. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in;
- c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in;

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated January 20, 2022 have authorized this Issue under Section 62(1) (c) of the Companies Act, 2013.

The Board of Directors in their meeting held on [•] have determined the Issue Price at ₹ [•] per Equity Share and the Rights Entitlement as [•] Rights Equity Share(s) for every [•] fully paid-up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter [•]

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

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

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [•], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.pacificindustriesltd.com)

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity Shareholders who have provided an Indian address 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.

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 case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the

Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in

or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights

Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹[•] per Rights Equity Share (including a premium of ₹[•] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

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 Share(s) for every [•] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari-passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹[•] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [•] Rights Equity Share(s) for every [•] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Share(s) or not in the multiple of [•], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [•] Equity Shares, such Shareholder will be entitled to [•] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [•] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties.

Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari-passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

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

Listing and trading of the Rights Equity Shares to be issued pursuant to 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 deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE414D01019 (**Scrip Code:** 523483) on BSE. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter number [•]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading “*Terms of Payment*” at page 221 of this Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*” on page 58.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

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

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

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is One (1) Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our 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.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, through email and speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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. 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 case who make a request in this regard.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and 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. The Letter of Offer, the

Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and 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 of procedure for application by the Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, refer “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 218.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address 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.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to the email-address if they have provided an Indian address 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.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

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 Rights Equity Shares under applicable securities laws) on the websites of:

- i. Our Company at www.pacificindustriesltd.com ;
- ii. the Registrar at www.linkintime.co.in
- iii. the Lead Manager at www.srujanalpha.com ; and
- iv. the Stock Exchange at www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.pacificindustriesltd.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e., [•], after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. 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.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account

details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “*Grounds for Technical Rejection*” on page 243. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 232.

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.linkintime.co.in and link of the same would also be available on the website of our Company at (www.pacificindustriesltd.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.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e., [•], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 236.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit 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.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer

to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. 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 the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

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 232.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. 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 215 Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 246.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall

not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied 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), and such costs will be incurred solely by the Investor.

THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS. PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on 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.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars,

the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE414D20019 subject to requisite approvals.

The details for trading in Rights Entitlements will be as specified by the Stock Exchanges 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 Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [•] to [•] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting

the ISIN (For Rights Entitlement) 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.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements 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 INE414D20019, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their 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. 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.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available

to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges, the Lead Manager to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “Modes of Payment” on page 235 in Chapter “Terms of the Issue”.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Pacific Industries Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- 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 within the Right Entitlements;
- Total amount paid at the rate of ₹[•] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB

with which the account is maintained;

- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and 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. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted 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 ("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 ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of 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 said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "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 Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

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

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

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.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [•] (*i.e., the Issue Closing Date*). Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under “*Terms of the Issue - Basis of Allotment*” on page 246.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

In case of Application through ASBA facility, the Investor 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 the Investor's 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 Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the

finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors 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 on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things,

(i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at pacific.rights@linkintime.co.in.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.
- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- 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 Application Form to the SCSB. 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.

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale

***Note:** In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, 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 case who make a request in this regard.*

- proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for

participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” beginning on page 232.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN

WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE “ALLOTMENT ADVICES/ REFUND ORDERS” ON PAGE 247.

General instructions for Investors

- (a) Please read this Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue

Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 232.

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and 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.

- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic 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, , (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.
- (j) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, 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 pursuant to this Issue shall be made into the accounts of such Investor.

- (l) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (m) For physical Applications through ASBA at Designated Branches of SCSB, 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 any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (o) 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 prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (p) 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.
- (q) 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, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (s) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form 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, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (c) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

- (h) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (i) Do not submit multiple Applications.
- (j) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.
- (k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory order.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- (o) If an Investor is (a) debarred by SEBI; 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 Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting &/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar 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. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

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

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see “*Investment by Mutual Funds*” on page 252.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such

Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*” on page 58.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to pacific.rights@linkintime.co.in. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Issue schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[•]
ISSUE OPENING DATE	[•]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[•]
ISSUE CLOSING DATE*	[•]

FINALIZATION OF BASIS OF ALLOTMENT(ON OR ABOUT)	[•]
DATE OF ALLOTMENT (ON OR ABOUT)	[•]
DATE OF CREDIT (ON OR ABOUT)	[•]
DATE OF LISTING (ON OR ABOUT)	[•]

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company 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 Rights Equity Shares renounced in its/their favour, in full or in part, as adjusted for fractional entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall 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 are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus

available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

- (e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- (f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

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

- (a) 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 Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period. The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository. In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts. Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE

RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE 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 Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*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 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 each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the 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.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 218.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

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. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC - SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 -IA of the RBI Act, 1934 and (b) net worth 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.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI 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 SEBI 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 SEBI 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 SEBI 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

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA 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 counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important 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.

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. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% 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 ten 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. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE414D20019.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 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.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declare 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 shall continue to be disclosed until 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; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the 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.

- (v) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vi) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (vii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (viii) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (ix) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

For details, please refer section titled “*General Information*” on page 51 of this Letter of Offer.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer 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 “*Risk Factors*” on page 24 of this Letter of Offer.

All enquiries in connection with this Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Pacific Industries Limited - Right Issue**” on the envelope to the Registrar at the following address:

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400083, Maharashtra, India.

Telephone: +91-22-49186200/810 811 4949

E-mail: pacific.rights@linkintime.co.in

Investor grievance E-mail: pacific.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No: INR000004058

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.linkintime.co.in Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 49186200/810 811 4949.

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sector.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarification on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India 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, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

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 SEBI 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.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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 the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Corporate office of our Company between 11.00 a.m. to 2.00 p.m. on any working day from the date of this Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

1. Issue Agreement dated January 20, 2022 between our Company and Srujan Alpha Capital Advisors LLP, Lead Manager to the Issue;
2. Registrar Agreement dated January 20, 2022 between our Company and Link Intime India Private Limited, Registrar to the Issue;
3. Tripartite Agreement dated January 01, 2001 between our Company, National Securities Depository Ltd. (NSDL) and Intime Spectrum Registry Private Limited (now known as Link Intime India Private Limited);
4. Tripartite Agreement dated January 1, 2001 between our Company, Central Depository Services (India) Limited (CDSL) and Intime Spectrum Registry Private Limited (now known as Link Intime India Private Limited);
5. Bankers to the Issue Agreement dated January 28, 2022 between our Company, HDFC Bank Limited, Srujan Alpha Capital Advisors LLP and Link Intime India Private Limited.

B. DOCUMENTS FOR INSPECTION

1. Memorandum & Articles of Association of our Company;
2. Certificate of incorporation and certificate of commencement of business of our Company dated July 13, 1989 and August 28, 1989 respectively;
3. Resolution of the Board of Directors under section 62 of Companies Act, 2013 passed in its meeting dated January 20, 2022 authorizing the Issue;
4. Resolution of the Board of Directors dated December 03, 2022 and [•] approving the Draft Letter of Offer and the Letter of Offer respectively;
5. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Banker to the Issue and Registrar to the Issue to include their

names in this Letter of Offer to act in their respective capacities;

6. Annual report of our Company for the financial year ended March 31, 2022 and the limited review report of the Unaudited Financial Results for the three months period ended September 30, 2022;
7. A statement of possible special tax benefits dated December 01, 2022 received from M/s. Ravi Sharma & Co., Chartered Accountants, regarding possible special tax benefits available to our Company and its shareholders;
8. Letter of Offer dated 16 July, 2019 pertaining to the previous Rights Issue of our Company;
9. Due Diligence Certificate dated March 04, 2022 by Srujan Alpha Capital Advisors LLP, Lead Manager to the Issue;
10. In - principle listing approval(s) dated [•] from BSE;

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

DECLARATION

We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all disclosures made in this Offer Document are true and correct.

Name	Signature
Jagdish Prasad Agarwal Managing Director	Sd/-
Mr. Kapil Agarwal Director & Chief Financial Officer	Sd/-
Mrs. Geetadevi Agarwal Non-Executive Director	Sd/-
Mr. Pradeep Kumar Jain Non-Executive Independent Director	Sd/-
Mr. Vinod Choudhary Non-Executive Independent Director	Sd/-
Mrs. Neelam Tater Additional Non-Executive Independent Director	Sd/-
Sachin Shah Company Secretary and Compliance Officer	Sd/-

Place: Udaipur

Date: December 03, 2022