


**MEGA NIRMAN
& INDUSTRIES LIMITED**
MEGA NIRMAN & INDUSTRIES LIMITED

Our Company was originally incorporated as “Daphene Investment and Properties Limited” as a public limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 23, 1983 issued by the Registrar of Companies, Delhi & Haryana. On April 05, 1983 the Certificate for Commencement of Business was issued to our Company by the Registrar of Companies, Delhi & Haryana. Subsequently, pursuant to a special resolution of the shareholders, the name of our Company was changed to “Mega Nirman & Industries Limited” pursuant to which a fresh certificate of incorporation consequent upon change of name dated May 01, 2013 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana under CIN L70101DL1983PLC015425. For further details in relation to the changes to the name of our Company, please refer to the section titled “General Information” beginning on page 30 of this Draft Letter of offer.

Registered Office: A-6/343B, 1st Floor, Paschim Vihar, New Delhi-110063, Delhi, India; **Tel:** +91-011-49879687

Email: secretarial.mnil@gmail.com; **Website:** www.mnil.in

Contact Person: Ms. Kanika Chawla, Company Secretary & Compliance Officer

PROMOTER OF OUR COMPANY: MR. YOGESH KUMAR GOYAL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF MEGA NIRMAN & INDUSTRIES LIMITED ONLY

NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR FRAUDELENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

THE ISSUE

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF RS.10 EACH (“EQUITY SHARES”) OF MEGA NIRMAN & INDUSTRIES LIMITED (“MNIL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 2500.00 LACS@ TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE “ISSUE”). THE ISSUE PRICE IS [●] TIME OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 73 OF THIS DRAFT LETTER OF OFFER.

@assuming full subscription

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall 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 the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to “Risk Factors” beginning on page 17 of this Draft Letter of Offer before making an investment in this Issue.

PAYMENT METHOD FOR RIGHTS ISSUE

AMOUNT PAYABLE PER EQUITY SHARE(₹)	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	0.25	[●]	[●]
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	0.75	[●]	[●]

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE). Our Company has received “in-principle” approval from BSE for listing the Equity Shares to be allotted pursuant to the Issue through its letter dated [●]. Our Company will also make an application to the stock exchange to obtain its trading approval for the right entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE

Beetal Financial & Computer Services Pvt. Ltd.,
Beetal House, 3rd Floor, 99, Madangir, behind Local Shopping Centre, New Delhi – 110062
Telephone: +91 11- 29961281-283; **Facsimile:** +91 11-29961284
Email: beetal@beetalfinancial.com; beetalrta@gmail.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Mittal
SEBI Registration No: INR000000262

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE OF MARKET RENONCIATIONS*	ISSUE CLOSES ON**
[●]	[●]	[●]

**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(s) on or prior to the Issue Closing Date.*

***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

Definitions

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

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits" and "Financial Statements" beginning on pages 45 and 60, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	Description
“Mega Nirman & Industries Limited” or “the Company” or “our Company” or “we” or “us” or “our” or “the Issuer”	Mega Nirman & Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at A-6/343B, 1 st Floor, Paschim Vihar, New Delhi-110063, Delhi, India.
Articles of Association	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. ASHM & Associates, Chartered Accountant
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10 each of our Company.
Financial Statement	The audited financial statement of our Company for the period ended March 31, 2021 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and Limited review unaudited financials for the period ended December 31, 2021
Internal Auditors	M/s. DSAS & Associates, Chartered Accountants.
Key Managerial Personnel / KMP	Mr. Zabihullah Burhani, Whole Time Director, Mr. Himanshu Gopal, Chief Financial Officer and Ms. Kanika Chawla, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Mr. Yogesh Kumar Goyal
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at A-6/343B, 1 st Floor, Paschim Vihar, New Delhi-110063, Delhi, India.
Registrar of Companies / ROC	Registrar of Companies, Delhi.

Conventional and General Terms or Abbreviations

Term	Description
“” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standard	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
CBIC	Central Board of Indirect Taxes and Customs
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 2018 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations.
GCP	General Corporate Purpose
Government/GoI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBS	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards

Term	Description
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
NACH	National Automated Clearing House which is a consolidated system of ECS.
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations/ ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
U.S/United States	The United States of America
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Issue Related Terms

Term	Description
Abridged Letter of Offer	The Abridged letter of offer to be sent via email to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares /Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted /Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are Allotted pursuant to this Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncees who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Applicant.
Application Money	Aggregate amount payable at the time of Application, i.e., ₹ [●] per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be
ASBA Applicant / ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who are holding the Equity Shares of our Company in dematerialised form as on the Record Date and has applied towards their Rights Entitlements and/or Additional Rights Equity Shares in dematerialised form; have not renounced their Rights Entitlements in full

Term	Description
	or in part; are not Renouncees; and must apply through blocking of funds in bank accounts maintained with SCSBs.
Bankers to the Company	HDFC Bank Limited
Bankers to the Issue / Escrow Collection Bank	[●]
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Draft Letter of Offer / DLOF	This Draft Letter of Offer dated February 17, 2022
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. [●].
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. [●] and the Renouncees.
Issue / the Issue / this Issue / Rights Issue	Issue of [●] Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. [●] (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 2500.00 Lakhs on a rights basis to Eligible Shareholders in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] /- per Equity Share. On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of [●] Rights Equity Shares for an amount aggregating up to Rs. [●] Lakh.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.

Term	Description
MICR	Magnetic Ink Character Recognition
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page no. 40 of this Draft Letter of Offer.
Non – ASBA investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Payment Schedule	Payment schedule under which 25% of the Issue Price is payable on Application, i.e., ₹ [●] per Rights Equity Share, and the balance unpaid capital constituting 75% of the Issue Price i.e., ₹ [●] will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time
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 renunciation 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 and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●].
Refund Bank	[●]
Refund through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS, NEFT or ASBA process, as applicable.
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	Beetal Financial & Computer Services Pvt. Ltd.
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date, i.e. [●]. 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.

Term	Description
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company.
Rights Equity Shares / Rights Shares	The equity shares of face value Rs. 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
R-WAP	Registrar's web based application platform accessible at www.linkintime.co.in , instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with 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, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021 for accessing/ submitting online Application Forms by resident Investors in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
SEBI Rights Issue Circulars	Relaxation provided by SEBI from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020, circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021.
Self-Certified Syndicate Bank / SCSBs	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?doRecognised=yes
Stock Exchange/ Stock Exchange(s)	BSE, where the Equity Shares of our Company are presently listed.
Wilful Defaulter or a Fraudulent Borrower	Wilful Defaulter or a Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Business and Industry related Terms / Abbreviations

Term	Description
ESOP	Employee Stock Option Scheme
CAD	Current account deficit
CAGR	Compound annual growth rate
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CSO	Central Statistics Organisation
FDI	Foreign Direct Investment
FEEs	Foreign Exchange Earnings
GJEPC	Gems and Jewellery Export promotion Council
ICEX	Indian Commodity Exchange
IIDGR	International Institute of Diamond Grading and Research
IMF	International Monetary Fund

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

NOTICE TO SHAREHOLDERS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch only through email by the Registrar on behalf of our Company the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled “Terms of the Issue” and on the website of the Registrar to the Issue at www.beetalfinancial.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch through email the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Abridged Letter of Offer or any offering 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 the 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, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer or the Abridged Letter of Offer or 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 or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of Offer and the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Neither the delivery of the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter 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 is correct as at any time subsequent to the date of the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer / Abridged Letter of Offer and the Application Form and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time.

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

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

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US\$', '\$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial Data

Unless stated otherwise, financial data in this Draft Letter of Offer is derived from the Audited Financial Statements which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Draft Letter of Offer.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Draft Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31.

In this Draft Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Draft Letter of Offer.

Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' And 'Rupees' are to the legal currency of India.
- Anyreference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

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

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

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

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- The performance of the market in India and globally;
- Any failure or disruption of our information technology system;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other 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; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page no. 17 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, 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.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SECTION II – SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, “Objects of the Issue”, “Business Overview”, “Outstanding Litigation and other Defaults” and “Risk Factors” beginning on pages 47, 64 and 17 respectively of this Draft Letter of Offer.

1. Summary of Business

Our Company was engaged in the business of real sector. In the year 2020 our Company entered into the business of trading of diamonds including other precious stones like Ruby, Emerald etc. We procure the rough and unpolished gemstones in several sizes and shapes from the suppliers and then the processing and polishing of rough gemstone is done by skilled workers on job-work basis. We sell the polished gemstones in domestic market.

For further details, please refer to the chapter titled “Business Overview” at page no. 47 of this Draft Letter of Offer.

2. Our Promoter

The Promoter of our Company is Mr. Yogesh Kumar Goyal.

3. Object of the Issue

Our Company intends to utilize the Net Proceeds for the following object:

(Rs. In lakhs)				
S. No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	To meet the working Capital Requirement of the Company.	2200.00*	[●]*	[●]*
2.	General corporate purposes.	[●]*	[●]*	[●]*
3.	To meet the expenses of the Issue.	[●]*	[●]*	[●]*
	Total	[●]*	[●]*	[●]*

* To be finalized on determination of Issue Price. Assuming full subscription.

For further details, please see chapter titled “Objects of the Issue” beginning on page no. 40 of this Draft Letter of Offer.

4. Intention and extent of participation by the Promoter and Promoter Group

The Promoter of our Company through his letter dated February 11, 2022 have confirmed that he intend to subscribe to the full extent of its Rights Entitlement in this Rights Issue and to the extent of unsubscribed portion (if any) of this Rights Issue.

Our Promoter have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoter or any other member(s) of the Promoter Group, each as may be applicable. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Rights Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

Any such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

For further details, please see the chapter titled “Capital Structure” beginning on page 35 of this Draft Letter of Offer.

5. Financial Summary

The following table depicts the summary of the financial information derived from the audited financial statements of the Company for the preceding three financial years and quarter ended December 31, 2021:

(Rs. In Lakhs except EPS and NAV per share)

Sr. No.	Particulars	For the year ended on			
		December 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1.	Share Capital	334.75	334.75	334.75	334.75
2.	Net worth	367.08	486.99	482.15	468.39
3.	Revenue from operations	-	-	184.05	206.60
4.	Profit After Tax	1.20	4.56	13.52	16.56
5.	Earnings Per Share – Basic (Rs.)	0.04	0.14	0.40	0.49
6.	Earnings Per Share – Diluted (Rs.)	-	-	-	-
7.	NAV per Equity Shares	10.97	14.55	14.40	13.99
8.	Total Borrowings	-	-	-	-

4. Auditor Qualifications

There are no qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to audited standalone financial statements of the Company for the financial year 2020-21, 2019-20 and 2018-19.

5. Outstanding litigations

For details, please see chapter titled “Outstanding Litigations and Other Defaults” beginning on page no. 64 of this Draft Letter of Offer.

6. Risk Factors

For details of the risks associated with our Company, ongoing business activities, objects of the Issue and material litigations which may impact our business, please see the section titled “Risk Factors” beginning on page no. 17 of this Draft Letter of Offer.

7. Contingent liabilities

As on December 31, 2021, there are no contingent liabilities for our Company.

8. Summary of Related party transactions

For details of related party transactions for the financial year 2020-21, please see the section titled “Financial

Information” beginning on page no. 60 of this Draft Letter of Offer.

9. Financing Arrangements

There has been no financing arrangement whereby our Promoter, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Draft Letter of Offer.

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

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Draft Letter of Offer.

11. Split / Consolidation

No Split or Consolidation was happened during the last one year.

SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. Additionally, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. In making an investment decision, prospective investors must rely on their own examinations and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

For further details, please refer the section titled “Financial Information” beginning on page no. 60 of this Draft Letter of Offer, as well as the other financial and statistical information contained in this Draft Letter of Offer.

This Draft Letter of Offer also contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. For further details, see chapter titled “Forward-Looking Statements” beginning on page no. 13 of this Draft Letter of Offer.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Financial Statements.

MATERIALITY

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

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some risks may have an impact which is qualitative though not quantitative.*
- 3. Some risks may not be material at the time of making the disclosures in this Draft Letter of Offer but may have a material impact in the future.*

INTERNAL RISK FACTORS

1. Our Company does not own Registered Office from which we are operating currently

Our registered office is located in Delhi and has been taken on rent basis. In the event of expiry, non-renewal or early termination of the rent arrangement, the same may have an adverse impact on our business and operations. We will be required to return the said premises to the Landlord, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the Landlord terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh rent or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability. For further information please see “Our Property” on page no. 47 of Draft Letter of offer

2. We have recently entered the business of trading of gemstones and we have no experience in the business.

Our Company has, during FY 2020-21, forayed into the business of trading of gemstone business. Our promoter has no past experience of gemstones business however we have appointed a director who have knowledge and experience in gemstones to undertake the operations along with our other personnel overseeing these operations. We

have limited experience of this business and this may lead to higher risks being taken by us which we may not be able to sustain, affecting the Company adversely.

3. *The non-availability or high cost of quality gemstones may have an adverse effect on our business, results of operations, financial condition and prospects.*

The procurement of gemstone in time as well as the authenticity, quality and the price, at which we procure, will play an important role in the successful operations of our business. Presently gemstones like diamond, Ruby, Emerald are the only product that we trade in and is primarily sourced from the domestic market with limited number of suppliers. We have not entered into any long-term contracts with these suppliers. If the suppliers cease to be able or not willing to continue supplying us the gemstones on terms that are acceptable to us, we may have to find other suppliers. There can be no assurance that such other suppliers will be able to meet our needs or be as reliable or provide gemstones of the same quality at the same prices as our current suppliers. Any disruption of supplies from our current gemstones suppliers or a failure to adequately replace them may materially and adversely affect our business, results of operations, financial condition and prospects.

4. *Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.*

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business. For details please refer to Chapter titled "Government and Other Statutory Approvals" beginning on page no. 67 of this Draft Letter of Offer.

5. *Our promoter is involved in certain legal proceedings and there can be no assurance that he will be successful in the legal proceeding. In the event of delay or unsuccessful in settlement of disputes, our business may be adversely affected.*

Our Promoter, Mr. Yogesh Kumar Goyal had undergone for judicial custody as per provision of section 132(1)(b) and (c) of CGST Act, 2017. The matter is pending and there can be no assurance that he will be successful in the legal proceeding. In the event of delay or unsuccessful in settlement of disputes, our business may be adversely affected.

6. *There is an outstanding demand from Tax authorities which is pending as on date.*

Assessment Year	Date on which demand raised	Outstanding Amount (Rs. in Lakhs)	Tax Authority
2019-20	01/05/2020	3.08	Income Tax
2017-18	26/10/2020	3.55	GST

For further details pertaining to outstanding litigation please see the chapter "Outstanding Litigation and Other Defaults" on page 64 of the DLOF.

7. *In the past, the Stock Exchange suspended the trading and has levied fine upon the Company for not-complying by failing to pay outstanding annual listing fees as per Regulation 14 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.*

In the past, the Stock Exchange has levied fine upon the Company for not-complying by failing to pay outstanding annual listing fees as per Regulation 14 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. However on account of the compliance with the said provision the suspension in trading have been revoked with effect from September 03, 2020.

It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

- 8. *Our Company has not registered name and logo of our Company with the Trade Marks Registration department. The company has applied for registration with the Trade Mark department. Any delay in granting registration or in obtaining registration could result in loss of brand equity of our company. If we fail to obtain trademark registration, our products branding efforts may be hampered which might lead to adverse effect on our business.***

The company has applied with the Trade Mark Registry department for registration of the company's name and logo. If the application filed for registration is not approved or if any delay in granting registration or obtaining the registration or if there are oppositions filed against the trademark application if any, are successful, our company may lose the statutory protection available to it under the Trade Marks Act, 1999 for such trademarks. For further details please refer to page no. 47 of this Draft Letter of Offer.

- 9. *Our Company has experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.***

The detailed break up of cash flows is summarized in below mentioned table and our Company have reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. in Lakhs)				
Particulars	31.12.2021	31.03.2021	31.03.2020	31.03.2019
Net Cash flow from Operative activities	(22.09)	(22.89)	(35.21)	(35.25)
Net Cash Flow from investing activities	(0.22)	(4.19)	4.36	33.25

- 10. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

The demand for our products depends on quality that we market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

- 11. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for, which may have an adverse effect on our business, financial condition and thereby on our results of operations.***

We may encounter predicaments in executing the orders placed by our customer or executing it on a timely basis. Moreover, there are factors which may be beyond our control or in the control of our customers and/or other types of difficulties or obstructions, which may result in the postponement of executing or delivering of the necessary product(s) or cause its cancellation. Further, even though we execute orders as placed by our customers, the order could be cancelled or there could be any changes in delivery of the products. Accordingly, it is difficult to predict with certainty if, when and to what extent the delivery of the orders placed will be made. Failure to deliver our orders on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our revenue, cost of operation and thereby our business functioning.

- 12. Any change in our consumer's likes, preferences or a change in their perception regarding the quality of our products may negatively affect the image and our reputation and in turn affect our revenues and profitability.**

The industry in which we operate is competitive and where goodwill and reputation are of huge significance. Any change in consumer's likes, preferences or a change in their demands regarding the quality of our products, may negatively affect the image and reputation of our products and consequently that of our Company. Further, such incidences may expose our Company to liabilities and claims, adversely affect our reputation, growth and profitability.

- 13. Our business depends substantially on the continuing efforts of Mr. Zabihullah Burhani, our Executive Director and other Key Management Personnel and our business operations may be disrupted if we lose their services.**

Mr. Zabihullah Burhani, our Executive Director have experience and knowledge in our business and industry. Our success and growth will depend, to a large extent, on our ability to retain the services of Mr. Zabihullah Burhani and our Key Management Personnel. If Mr. Zabihullah Burhani or any of our Key Management Personnel were to reduce or cease their involvement with us, it may take time for us to hire a suitably qualified replacement with the necessary experience and expertise and this may adversely affect our business, results of operations, cash flows and financial condition.

- 14. Our Company has entered into transactions with related party and may continue to do so in the future, which may potentially involve conflicts of interests with the Equity Shareholders.**

Our Company has entered into transactions with certain of its related parties. For details of related party transactions of our Company, for FY ending March 31, 2021 and for December 31, 2021 please see "Financial Statements" on page no. 60 of this Draft Letter of Offer. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Further, it is likely that our Company may continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

- 15. We have not covered ourselves with any insurance coverage that can protect us against certain operational or natural risks and we may be subject to losses that might happen because of non – existence of insurance policies.**

We have not taken any insurance coverage for a number of the risks associated with our business and otherwise, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage, not covered by insurance, our business and results of operations could be adversely affected.

- 16. We may not be able to sustain effective implementation of our business and growth strategies.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook.

- 17. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.**

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

There has been, on few occasions, inadvertent late filings/submission/Publication of periodic reports, statement and information in compliance with listing agreement by our Company to BSE. Our Company was suspended on March 01, 2020 due to non-payment of Annual Listing Fees.

Mr. Monendra Srivastava one of our Independent director is on the board of Directors of Ace Edutrend Limited (ISIN:INE715F01014) which is listed on BSE limited and is suspended as on date due to penal reasons and Ms. Sushma Jain one of our Independent Director is on the board of Directors of Be Swasth Healthcare Limited (Formerly known as Ujala Commercials Limited) (ISIN: INE288U01011) which is listed at MSEI (Metropolitan Stock Exchange of India Limited) was suspended since March 12, 2020 due to non-payment Annual Listing Fees and the suspension was revoked w.e.f. September 03, 2020.

We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure made to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

18. We are unable to trace certain corporate records and 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/documents. While our Company believes that the secretarial forms were duly filed, and submitted to ROC. Also we do not have copies of documents related to initial documents related to registered office. 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.

19. As on the date of this Draft Letter of Offer, no investor complaint is outstanding on SCORES.

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

20. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy requires us to develop and strengthen relationships with customers on an ongoing basis. In order to remain competitive, we seek to increase our business by adding new customers. Our success is in implementing our growth strategies amongst others may be affected by our ability to maintain the quality of our products; our ability to increase our customer base; and the general condition of the global economy;

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability

21. *We do not currently intend to pay dividends on our Equity Shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the Equity Shares.*

We have never declared or paid any cash dividends on our Equity Shares and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Because you are not likely to receive any dividends on your Equity Shares for the foreseeable future, the success of an investment in Equity Shares will depend upon any future appreciation in their value. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of our shareholders and will depend on factors that our Board and shareholders deem relevant. Our Company may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares.

22. *The Objects of this Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds is entirely at our discretion and the same will not be monitored by any external agency.*

Our funding requirements, the funding plans and the deployment of the proceeds of the Issue are based on our management estimates and have not been appraised by any bank or financial institution. The deployment of funds for the Objects of the Issue is entirely at our own discretion and the same will not be monitored by any external agency. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. The estimates contained in this Draft Letter of Offer may exceed the value that would have been determined by third party appraisals, which may require us to reschedule the deployment of funds proposed by us and may have a bearing on our expected revenues and earnings.

The SEBI ICDR Regulations stipulates the appointment of monitoring agency is required only where the issue size is in excess of Rs.10,000 Lakhs. Since the Issue is for less than 10,000 Lakhs, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee.

23. *Investment in Rights Equity Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, the Rights Equity Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board at its sole discretion, from time to time. The holders of the Rights Equity Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Further, until the subsistence of Rights Equity Shares, we may not be able to undertake certain forms of equity capital raising.*

The Issue Price is ₹ [●] per Rights Equity Share. On Application, Investors will have to pay ₹ [●] (25% of the Issue Price) per Rights Equity Share. The balance amount will be payable by the Rights Equity Shareholders on subsequent Calls of ₹ [●] per Rights Equity Share pursuant to the Payment Schedule, after payment of the Application Money. The Rights Equity Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Equity Shares. This may affect the liquidity of the Rights Equity Shares and restrict your ability to sell them.

If our Company does not receive the Call Money as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Rights Equity Shares, in accordance with the Companies Act, 2013

and our Articles of Association. For details, see “Terms of the Issue Procedure for Calls for Rights Equity Shares” on page 73. In case our Company declares any dividend, Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid up, and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up equity capital of our Company. Therefore, the rights of holders of the Rights Equity Shares will not be pari passu with the rights of the other shareholders of our Company in case of non-payment of Call Monies.

The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the Final Call would be sent. From the Call Record Date for each Call prior to the Final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Rights Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Equity Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Equity Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Equity Shares to fall and may limit ability of Investors to sell the Rights Equity Shares. There may also be a risk of the Rights Equity Shares not forming part of the index. Further, until the subsistence of Rights Equity Shares, we cannot undertake further rights issues, further public offers or bonus issues. In terms of Regulations 62 of the SEBI ICDR Regulations, an issuer making a rights issue is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI ICDR Regulations.

24. 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. Renouncees 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 Renouncees 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.

25. We will not distribute the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and the MCA Circular, our Company will send, only through email, the Letter of Offer, 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. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. We cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

26. *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 the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. 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).

27. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

28. *The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.*

In accordance with SEBI Relaxation Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at [www. http://www.beetalfinancial.com](http://www.beetalfinancial.com)), has been instituted for making an Application in this Issue by Original Resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Original Resident Shareholders can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “Terms of the Issue” on page no. 73 of this Draft Letter of Offer. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology
- in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

EXTERNAL RISK FACTORS

29. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

30. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in particular.

Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

31. There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver Letter of Offer to SEBI and the Stock Exchange under the applicable provisions of the Companies Act and the ICDR Regulations. The trading approval shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict investors' ability to dispose off their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchange could adversely affect the trading price of the Equity Shares.

32. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

33. Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued.

A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

34. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the World, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

35. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure.

We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("STT"), has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. The Ministry of Finance has in the union budget for 2018-19 proposed that any gain in excess of Rs. 100000 realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax of 10% without allowing any benefit of indexation. However, all gains up to January 31, 2018 will be

grand fathered. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India if it 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 jurisdictions on gains arising from a sale of our Equity Shares.

37. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect an Equity Shareholder's ability to sell, or the price at which an equity shareholder can sell the Equity Shares at a particular point in time.

Our Company is subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares may be adversely affected.

38. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share. Except as otherwise stated in the Draft Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoter) will not dispose of, encumber, or pledge its Securities.

39. General economic conditions in India and globally could adversely affect the business and results of operation of our Company.

Our results of operations and financial condition depend significantly on worldwide economic conditions. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, European nations also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy, Industry and our business.

SECTION IV– INTRODUCTION

THE ISSUE

Authority for the Issue

The Issue has been authorized by way of a resolution passed by our Board on August 10, 2021 pursuant to section 62(1)(a) of the Companies Act, 2013 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 the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “*Terms of the Issue*” beginning on page no. 73 of this Draft Letter of Offer:

Rights Equity Shares to be Issued in the Offer	[●] Rights Equity Shares
Rights Entitlement for Equity Shares	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.
Fractional Entitlement	For 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 Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Rights Equity Share	Rs. 10/- each
Issue Price per Rights Equity Share	₹ [●]/- each. On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.
Issue Size	Upto 2500.00 Lakhs
Equity Shares outstanding prior to the Issue	33,47,500 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
Security Codes	ISIN: INE216Q01010 BSE: 539767 ISIN for Rights Entitlements: [●]
Terms of the Issue	For more information, please see the chapter titled “ <i>Terms of the Issue</i> ” beginning on page no. 73 of this Draft Letter of Offer.
Use of Issue Proceeds	For more information, please see the chapter titled “ <i>Objects of the Issue</i> ” on page no. 40 of this Draft Letter of Offer.

Terms of Payment

Amount Payable Per Equity Share (Rs.)	Face Value (₹)	Premium (₹)	Total (₹)
On Application	[•]	[•]	[•]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	[•]	[•]	[•]

Issue Schedule

Issue Opening Date	[•]
Last date for On Market Renunciation of Rights	[•]
Issue Closing Date	[•]

GENERAL INFORMATION

Our Company was originally incorporated as “Daphne Investment and Properties Limited” as a public limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 23, 1983 issued by the Registrar of Companies, Delhi & Haryana. On April 05, 1983 the Certificate for Commencement of Business was issued to our Company by the Registrar of Companies, Delhi & Haryana. Subsequently, pursuant to a special resolution of the shareholders, the name of our Company was changed to “Mega Nirman & Industries Limited” pursuant to which a fresh certificate of incorporation consequent upon change of name dated May 01, 2013 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana under CIN L70101DL1983PLC015425.

Registered Office of our Company

Mega Nirman & Industries Limited

A-6/343B, 1st Floor, Paschim Vihar,
New Delhi-110063, India
CIN: L70101DL1983PLC015425
E-mail: secretarial.mnil@gmail.com
Website: www.mnil.in
Tel: +91-011-49879687

Registrar of Companies

Our Company is registered with the Registrar of Companies, Delhi with following address:

Registrar of Companies
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi -110019

Changes in Registered Office

As of the date of this Draft Letter of Offer, the Registered Office of our Company is situated at A-6/343B, 1st Floor, Paschim Vihar, New Delhi-110063, India. Details of changes in the Registered Office of our Company since incorporation are set forth in the table hereunder:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
NA [^]	B-9, Lajpat Nagar, New Delhi-110024	102, Palco house, 2162/T-10, Main Patel Road, Delhi-110008	To ensure operational ease and enable greater efficiency
December 17, 2012	102, Palco house, 2162/T-10, Main Patel Road, Delhi-110008	2836/37, 1 st Floor, Ashok Gali, Rambazar, Morigate, Delhi-110006, Delhi, India	To ensure operational ease and enable greater efficiency
December 09, 2014	2836/37, 1 st Floor, Ashok Gali, Rambazar, Morigate, Delhi-110006, Delhi, India	H-7/B-2, Aggarwal Plaza, Netaji Subhas Place, Pitampura, New Delhi-110034	To ensure operational ease and enable greater efficiency
May 01, 2015	H-7/B-2, Aggarwal Plaza, Netaji Subhas Place, Pitampura, New Delhi-110034	257, 2 nd Floor, Satyam Tower, Commercial complex, Paschim Vihar, New Delhi-110063	To ensure operational ease and enable greater efficiency

August 28, 2017	257, 2 nd Floor, Satyam Tower, Commercial complex, Paschim Vihar, New Delhi-110063	A-6/343B, 1st Floor, Paschim Vihar, New Delhi-110063	To ensure operational ease and enable greater efficiency
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[^] Since incorporation till December 16, 2012, form 18 for change in registered office is not available in the record of our Company.

Board of Directors of our Company

Name	Designation	DIN	PAN	Address
Mr. Anand Rai	Executive Director	06855524	AJJPR0483R	Khasra no.762, H No.-14, Vinayak Apartment, Burari, Sant Nagar, Delhi-110084, India
Mr. Monendra Srivastava	Non-Executive Independent Director	07489845	BJQPS8723J	G-35, G-Block Shakarpur, New Delhi – 110092, India
Ms. Sushma Jain	Non-Executive Independent Director	08545336	AJWPJ5684N	H. No. 464, 1st Floor, B-3 Block, Paschim Vihar, Punjabi Bagh (West), Delhi – 110063, India
Mr. Zabihullah Burhani	Whole-time Director	07097788	Not Available	Khair Khana Projh, Jadid Non Wayazam, Kabul, Afghanistan-1008
Mr. Vinay Singh	Non-Executive Independent Director	09032266	GSBPS5315F	H.No.1438, Sector 1/B, P.O. Sector-1, P.S. B.S. City, Bokaro Bokaro, Jharkhand, India-827001
Mr. Mohan Jagdish Agarwal	Executive Director	07627568	AGMPA0728K	D/212, Ramayan Nagar, Radhabai Chowk, Dassera Maidan, Ulhasnagar, Thane-421002, Maharashtra, India

For more details, please see the section titled “Our Management” on page no. 53 of this Draft Letter of Offer.

Company Secretary and Compliance Officer:

Ms. Kanika Chawla
A-6/343B, First Floor, Paschim Vihar,
New Delhi-110063
E-mail: secretarial.mnil@gmail.com
Website: www.mnil.in
Tel. No.: +91-11- 49879687

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Chief Financial Officer:

Mr. Himanshu Gopal
A-6/343B, First Floor, Paschim Vihar,
New Delhi-110063
E-mail: cfo.mnil@gmail.com
Website: www.mnil.in
Tel: +91-11- 49879687

Registrar to the Issue

Beetal Financial & Computer Services Pvt. Ltd.,
Beetal House, 3rd Floor, 99, Madangir, behind Local Shopping Centre,
New Delhi – 110062
Telephone: +91 11- 29961281-283
Facsimile: +91 11-29961284
Email: beetal@beetalfinancial.com; beetalrta@gmail.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Mittal
SEBI Registration No: INR000000262

Statutory Auditor:

ASHM & Associates, Chartered Accountants
Head Office: E-24, Basement, Lajpat Nagar-III, New Delhi-110024
Branch Office: 207, Best Plaza, H-8, Netaji Subhash Place, Pitampura, New Delhi-110034
Tel. No.: +91 11-29832120
Email: bajajca@gmail.com
Firm Registration No.: 005790C
Contact Person: Mr. Manoj Bajaj
Registration Number: 009575

Principal Banker to the Company:

HDFC Bank Limited
Address : B 6, Vishal Enclave,
Near Raja Garden, Delhi-110027
Tel: 011 45613898
Contact Person: Mr. Roopesh Singh

Banker to the Issue/Refund Bank:

[•]

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Credit rating

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

Debenture Trustee

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

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received a written consent dated January 10, 2022 from our Statutory Auditors, M/s ASHM & Associates, Chartered Accountants to include their names in this Draft Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer

Monitoring Agency

Since the size of the Issue is less than Rs. 10,000 Lakhs, our Company is not required to appoint a monitoring agency to monitor the utilization of the Issue Proceeds in terms of Regulation 82(1) of the SEBI (ICDR) Regulations by our Company.

Appraising Agency

None of the purposes for which the Issue Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

The Issue of Rights Equity Shares is not being underwritten and/ or no standby support is being sought for the said Issue.

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law. Further, our Promoter and Promoter Group have confirmed that they will, subscribe to all of the unsubscribed portion in this Issue

Filing of this Draft Letter of Offer:

This Draft Letter of Offer has not been filed with SEBI as the size of the issue is up to Rs. 2500.00 Lakhs which does not require Issuer Company to file DLOF with SEBI.

Issue Schedule:

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

Last Date for credit of Rights Entitlements	[•]
Rights Issue Opening Date	[•]
Last Date for On Market Renunciation of Rights	[•]

Entitlements#	
Rights 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)	[●]

Note:

#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 Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Rights Issue Period as it may determine from time to time but not exceeding thirty days from the Rights Issue Opening Date (inclusive of the Rights Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Rights Issue Closing Date.*

Please note that if 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, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "Terms of the Issue " on page no. 73 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.beetalfinancial.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on page no. 76 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

CAPITAL STRUCTURE

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

(Rs. in Lakh, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	2,82,50,000 Equity Shares of Rs. 10 each	2825.00	-
B.	Issued, Subscribed and Paid-Up Capital before the Issue		
	33,47,500 Equity Shares of Rs. 10 each	334.75	-
C.	Present Issue being Offered to the Existing Equity Shareholders through this Draft Letter Of Offer⁽¹⁾		
	Rights Issue of [●] Equity Shares at an Issue Price of [●] per Equity Share ⁽²⁾	[●]	[●]
D.	Issued, Subscribed and Paid Up Capital after the Issue⁽³⁾		
	[●] Equity Shares of face value of Rs. 10 each fully paid up	[●]	[●]
E.	Securities Premium Account		
	Before the Issue	120.00	
	After all the Calls are made in respect of Rights Equity Shares ⁽⁴⁾	[●]	

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on August 10, 2021, pursuant to Section 62 of the Companies Act, 2013.

(2) On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion.

(3) Assuming full subscription for and Allotment of the Rights Equity Shares. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by our Board at its sole discretion.

(4) Assuming full payment of all Calls by holders of Rights Equity Shares.

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

a) Shareholding Pattern of the Equity Shares of our Company as on December 31, 2021 is as under:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form
(A)	Promoter and Promoter Group	1	75,100	75,100	2.24	75,100	2.24	75,100
(B)	Public	2041	32,72,400	32,72,400	97.76	32,72,400	97.76	31,76,500
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-
(C-1)	Shares Underlying DRs	-	-	-	-	-	-	-
(C-2)	Shares held by Employee Trusts	-	-	-	-	-	-	-
	Total	2042	33,47,500	33,47,500	100.00	33,47,500	100.00	32,51,600

b) Statement showing Shareholding Pattern of the Promoter and Promoter Group as on December 31, 2021 is as under:

Sr. No.	Category of Shareholders	No. of shareholder	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
(A1)	Indian					
(a)	Individual / Hindu Undivided Family	1	75,100	75,100	2.24	75,100
	Yogesh Kumar Goyal	1	75,100	75,100	2.24	75,100
	Sub Total (A-1)	1	75,100	75,100	2.24	75,100
(A2)	Foreign	-	-	-	-	-
	Sub Total (A-2)	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group	1	75,100	75,100	2.24	75,100

Sr. No.	Category of Shareholders	No. of shareholder	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
	(A)= (A1)+(A2)					

c) Statement showing Shareholding Pattern of the Public shareholder as on December 31, 2021 is as under:

Sr. No.	Category & Name of the Shareholders	No. of shareholder	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form
B1)	Institutions	-	-	-	-	-	--	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-
B2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-
B3)	Non-institutions	-	-	-	-	-	-	-
	Individual share capital up to Rs. 2 lakhs.	1990	9,17,013	9,17,013	27.39	9,17,013	27.39	8,21,113
	Individual share capital in excess of Rs. 2 lakhs	21	20,87,320	20,87,320	62.35	20,87,320	62.35	20,87,320
	Ambieca Saha	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Anil Kr Saha	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Anirban Saha	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Ashok Kumar Sirohi	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Dhiren Haresh Lakhwani	1	59,990	59,990	1.79	59,990	1.79	59,990

Sr. No.	Category & Name of the Shareholders	No. of shareholder	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form
	Hari Chand	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Kabir Shran Dagar	1	1,47,950	1,47,950	4.42	1,47,950	4.42	1,47,950
	Kanta Rani	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Kanwar Lal Sipani	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Manju Sirohi	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Menika	1	53611	53611	1.60	53611	1.60	53611
	Neeta Saha	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Nikhil Sipani	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Rajeev Kumar Gakhar	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Rekha Dagar	1	41,373	41,373	1.24	41,373	1.24	41,373
	Sanjeev Kumar Gakhar	1	1,00,000	1,00,000	2.99	1,00,000	2.99	1,00,000
	Sita Ram	1	4,86,085	4,86,085	14.52	4,86,085	14.52	4,86,085
	Any Other (Specify)	30	2,68,067	2,68,067	8.01	2,68,067	8.01	2,68,067
	M. R. Agarwal And Sons Huf	1	85000	85,000	2.54	85,000	2.54	85,000
	Kabir Shran Dagar (HUF)	1	1,13,269	1,13,269	3.38	1,13,269	3.38	1,13,269
	Sub-Total (B)(3)	2041	32,72,400	32,72,400	97.76	32,72,400	97.76	31,76,500
	Total Public Shareholding (B)= (B1) +(B2)+(B3)	2041	32,72,400	32,72,400	97.76	32,72,400	97.76	31,76,500

d) Statement showing Shareholding Pattern of the Non-Promoter Non-Public shareholder as on December 31, 2021 is as under:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
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Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
C1)	Custodian/DR Holder	-	-	-	-	-
C2)	Employee Benefit Trust	-	-	-	-	-

- As on the date of this Draft Letter of Offer, Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities which are convertible at a later date into Equity Shares.
- The Equity Shares of our Company are fully paid up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer.
- Our Company does not have any stock option scheme.
- None of the Equity Shares held by our Promoter is locked-in, pledged or otherwise encumbered.
- The Issue being a rights issue, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirements of promoter's contribution and lock-in are not applicable.
- Our Promoter or members of the Promoter Group have not acquired Equity Shares of our Company during the last one year immediately preceding the date of this Draft Letter of Offer.
- Intention and extent of participation by our Promoter and Promoter Group in the Issue:
Our Promoter have, vide his letter dated February 11, 2022 (the "Subscription Letters") undertaken to: (a) subscribe, to the full extent of his Rights Entitlement; and (b) subscribe to, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in his percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(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. 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.
- The ex-rights price of Rights Equity Shares as per Regulation 10(4)(b) of the SAST Regulations, 2011 is Rs. [●] per Equity Share.

SECTION V

OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds of the Issue to:

1. To meet the requirement of Working Capital;
2. General corporate purposes;
3. To meet the expenses of the Issue.
(Collectively, referred herein as the “objects”).

Our Memorandum of Association enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object’s clause of our Memorandum of Association.

Issue Proceeds

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

(Rs. in Lakhs)

Particulars	Amounts
Gross proceeds from the Issue [#]	Upto 2500.00
Less: To meet the expenses of the Issue.	[●]*
Net Proceeds of the Issue	[●]*

[#]Assuming full subscription and Allotment and receipt of all call monies with respect to the Right Equity shares.

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.

Requirement of funds & Means of finance

(Rs. in Lakhs)

Sr. No.	Particulars	Amounts
1.	To meet the requirement of Working Capital of the Company	2200.00*
2.	General corporate purposes	[●]*
3.	To meet the expenses of the Issue	[●]*
	Total	Upto 2500.00

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.

Means of Finance

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met through the Net Proceeds and balance through internal accruals / net worth and unsecured loan. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the proposed right issue or through existing 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 and may also be subject to timing of making subsequent calls (one or more) in the future, as determined by our Board at its sole discretion, with respect to the Rights Equity Shares for the balance ₹ [●] per Rights Equity Share which constitutes [●] % of the Issue Price.

(Rs. In lakhs)

Sr. No.	Objects of the Issue	Amount Required	Issue Proceeds	Internal Accruals/ Net Worth/ Unsecured Loans
1.	To meet the requirement of Working Capital of the Company	2454.83	2200.00	254.83
2.	General corporate purposes*	[●]	[●]	-
3.	To meet the expenses of the Issue*	[●]	[●]	-

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.

Proposed Schedule of implementation/ Utilization of Issue Proceeds

Our Company proposes to deploy the issue Proceeds in the aforesaid objects as follows:

(Rs. In lakhs)

Sr. No.	Particulars	Amount to be funded from the Issue Proceeds	Estimated Utilisation of Issue Proceeds (FY 2021-2022)	Estimated Utilisation of Issue Proceeds (FY 2022-2023)
1.	To meet the Working Capital of the Company.	2200.00	200.00	2000.00
2.	To meet General corporate*	[●]	[●]	[●]
3.	To meet the expenses of the Issue*	[●]	[●]	[●]

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.

As and when our Company makes the Calls for the balance monies with respect to the Rights Equity Shares, our Company shall endeavour to utilize the proceeds raised from such Calls within the same Fiscal as the receipt of the said Call Monies failing which our Company shall utilize the said Call Monies in the subsequent Fiscal.

Details of the Objects of the Issue :

Working Capital Requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks and financial institutions. Our Business is a working capital intensive. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances or changes in our financial condition, business or strategy. Consequently, our fund requirements may also change. Any such change in our plans may require rescheduling of deployment of the funds earmarked towards working capital. In such an eventuality, increased working capital requirements may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event that estimated utilization out of the proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Basis of estimation of working capital requirement

(Rs. in Lakhs)

Particulars	2021	2022
	(Audited)	(Estimated)
Current Assets		
Inventories	19.12	1917.00
Trade receivables	573.20	1077.15

Cash and cash equivalents	3.96	371.45
Short Term Loans & Advances	357.35	354.20
Other current assets	8.44	21.52
Total (A)	962.07	3741.32
Current Liabilities		
Trade Payables	592.72	1214
Other current liabilities and short term provisions	17.10	72.49
Total (B)	609.82	1286.49
<i>Total Working Capital (A)-(B)</i>	352.25	2454.83
Existing Funding Pattern		
Working Capital funding from Banks	-	-
Internal accruals/Net Worth/Unsecured Loan	-	254.83
Net proceeds of the Issue	-	2200.00

Assumption for working capital requirements

Assumptions for Holding Period Levels

Particulars	Holding Level for Fiscal 2021 (Audited)	Holding Level for Fiscal 2022 (Estimated)
Current Assets		
Inventories	3	3
Trade Receivables	3	3
Current Liabilities		
Trade Payables	4	3

Justification for “Holding Period” Levels

The justifications for the holding levels mentioned in the table above are provided below:

Assets- Current Assets	
Inventories	We have assumed finished goods inventory of 3 months for fiscal 2022 which is same as fiscal 2021 to keep in line with our expected increase in finished goods turnover in coming year.
Trade receivables	Our Company has estimated credit facility of around 3 months to our debtors for Fiscal 2022. Going forward our Company intends to provide scant credit facility to our debtors to enhance the liquidity position thus leading to increase our business operation
Liabilities–Current Liabilities	
Trade Payables	We have assumed trade payables period of 3 months for the Fiscal 2022 as against credit period of 4 months for Fiscal 2021 as we intend to decrease the credit period expected from our creditors due to fulfilment of our working capital requirements through our proposed issue. This would help us in maintaining good relations with our creditors.

Our Company proposes to utilize ₹ 2,200 lakhs of the Net Proceeds towards our working capital requirements. The balance portion of our working capital requirement for the will be arranged from internal accruals, net worth and unsecured Loan.

General Corporate Purposes

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

Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, registrar to the issue and depository fees. The total Issue related expenses are estimated to be approximately ₹ [●] lakhs.

Sources of financing of funds already deployed

Our Company has deployed Rs. 2.00 lakhs as of January 10, 2022 towards issue expenses as certified by ASHM & Associates, Chartered Accountants vide certificate dated January 10, 2022. The same have been funded through internal accruals.

Strategic and/ or Financial Partners

There are no Strategic and Financial partners.

Appraisal

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

Bridge Financing Facilities

Our Company has currently not raised any bridge loan towards any of the stated objects of the Issue as on the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, our Company might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim Use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than Rs. 10,000 lakhs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. Our Board of Directors will monitor the utilization of the Issue Proceeds. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This

information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Variation in Objects

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

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Managerial Personnel and the members of our Promoter Group or Group Entities, except to the extent of adjustment of unsecured loans towards the entitlement, including additional subscription if any.

STATEMENT OF TAX BENEFITS

STATEMENT OF 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,
Mega Nirman & Industries Limited
A-6/343B, 1st Floor, Paschim Vihar,
New Delhi-110063, Delhi, India

Dear Sirs,

Subject: Proposed Rights Issue of equity shares with a Face value of Rs. 10/- each by Mega Nirman & Industries Limited (the “Company”) (the “Issue”)

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

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

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

For ASHM & Associates
Chartered Accountants
Reg. No. 005790C
Sd/-
Manoj Kumar Bajaj
Partner
Membership No. 091107
UDIN: 22091107AAAAAE7878
Place: New Delhi
Date: January 10, 2022

Annexure

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

The information outlined below sets out the special tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the direct tax laws in force in India (i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

I. Special Tax Benefits available to the Company under the Act:

There are no special tax benefits available to the Company.

II. Special Tax Benefits available to the Shareholders under the Act:

There are no special tax benefits available for the shareholders of the Company under the provisions of the Act.

Notes:

1. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis;
2. The above Statement of Special Tax Benefits sets out the Special Tax Benefits available to the Company and its shareholders under the current tax laws presently in force in India;
3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 Offer;
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and the above stated Special Tax Benefits will be available only to the sole/first named holder in case the shares are held by jointshareholders.
5. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - Company or its shareholders will continue to obtain these benefits in future;
 - Conditions prescribed for availing the benefits have been/ would be met with;
 - The revenue authorities/courts will concur with the view expressed herein; and
 - The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

SECTION VI – ABOUT OUR COMPANY

BUSINESS OVERVIEW

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and also the section entitled "Risk Factors" and "Financial Information" on page 17 and 60 respectively of this Draft Letter of Offer, for a discussion of certain risks 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, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company.

Overview

Our Company was incorporated as a public limited company under the name and style of “Daphne Investment and Properties Limited”, under the provisions of the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 23, 1983 issued by the Registrar of Companies, Delhi & Haryana. On April 05, 1983 the Certificate for Commencement of Business was issued to our Company by the Registrar of Companies, Delhi & Haryana. Subsequently, pursuant to a special resolution of the shareholders, the name of our Company was changed to Mega Nirman & Industries Limited vide fresh certificate of incorporation dated May 01, 2013 issued by the Registrar of Companies National Capital Territory of Delhi and Haryana.


Our Company was engaged in the business of real sector. In the year 2020, our Company entered into the business of trading of diamonds including other precious gemstones like Ruby, Emerald. We procure the rough and unpolished gemstones in several sizes and shapes from the suppliers and then the processing and polishing of rough gemstone is done by skilled workers on job-work basis. We sell the rough and polished gemstones in domestic market.



We procure our diamonds and gemstones from suppliers based in the domestic market. We deal with only those suppliers who are reputed. Trust, reliability, quality and authenticity of diamonds and other gemstones is the upmost priority in our business. Further, the sales of our rough and polished diamonds depend on the kind of our customer with whom we are dealing with. Such as our polished diamonds are majorly purchased by jewellery manufacturers, jewellery wholesalers, jewellery retailers, jewellery traders, diamond wholesalers, diamond retailers and our rough diamonds are majorly purchased by rough diamond traders and diamond manufacturers.

In order to compete in the market, we have created and maintained an independent sales and distribution network for our products within the domestic markets. Further to ensure customer satisfaction, quality supply of diamonds, timely delivery of orders and purchase-sale of authentic diamonds, we deal with our suppliers and customers on mutually agreed terms. Further, we have developed and maintained stable relationships with our key suppliers and our key customers although we have not entered into any formal contracts with either of them. Our Company is headquartered in Delhi. We believe that we carry out the quality checks and source our gemstones from reliable suppliers to maintain the standard and quality of stones.

OUR PRODUCT PORTFOLIO

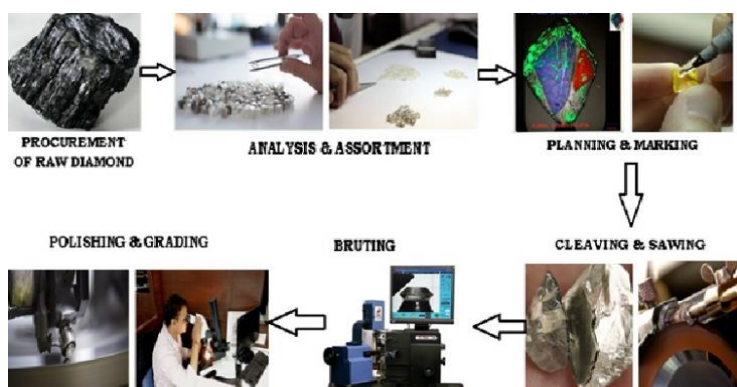
We sell precious gemstone of several shape and size. The range of precious gemstones we trade is as follows:

Gemstones	Description
	Ruby (Manik) is gemstone for Sun. Sun is the most energised and powerful planet among all planets in solar system, and it is considered most important as per astrology for its effects in business, jobs and all work and financial gains
	Emerald (Panna) is gemstone for Mercury. Mercury is the smallest, high

	energised and powerful planet among all planets in solar system, known to provide fast financial gains.
	Diamond is the hardest substance and is also one of the most preferred jewellery pieces amongst both men and women. It is available in other colour too but the colourless is considered the most important in all aspects. It is a hot gem. It has unique features based on astrology and is known to spark energy and fire in the person. It is governed by the planet Venus

PROCESSING FOR OUR ROUGH AND UNPOLISHED GEMSTONES

The process followed by for manufacturing process of our rough and polished diamonds is as below:-



The cutting and polishing process is labour-intensive and requires specialized knowledge and skills. Rough stones acquired are sorted or graded on the basis of colour, shape, clarity, cut and weight. In order to ensure optimum recovery of polished gemstones from the rough gemstone, the cutting process is carefully planned.

Processing involves the following basic steps:

1. Selecting (or sorting) the rough gemstones. This includes examining each gemstone for its potential colour grade, clarity grade, and cutting style. The goal in cutting a rough gemstones is to maximize the market value of the gemstones.
2. Marking is done following a careful examination of each rough gemstone to determine the optimal cut designed to yield the greatest value of the polished gemstones.
3. Cleaving and/or sawing the rough crystal is done after marking the gemstones. The rough gemstones is analysed and sent to either cleaving or sawing department. A rough and unpolished gemstones needs to be broken into parts. This is done through either of the method, i.e. either through Cleaving or Sawing. Cleaving is done manually with hammer, which split rough gemstones into two or more parts. If the stones need sawing, then it is sent to sawing department. Planner rechecks the gemstones after this process is complete. Once the planner decides where the gemstone should be cut, the gemstone is either manually cleaved or sawed. The rough gemstones which cannot be cleaved are sawed.
4. Bruting

Bruting forms the basic face-up outline of a round gemstones to prepare it for faceting. During the bruting phase, the stone being bruted is spun on a rotating lathe while another stone is forced against it, gradually forming the rounded outline. Essentially, this gives shape to gemstone in a way so that maximum yield can be taken.

5. Polishing

Polishing is the final step in this process. This step gives the stone its brilliant sparkle that is the final look. The polisher is very careful at this process because a small mistake can result into quality loss of the stones. In this process, the cut and polished gemstone is boiled in a solution of hydrochloride and sulphuric acid to remove oil, powder and dirt. After completion of polishing, the smaller packets are put together in the original packet and sent for final inspection. During the entire process, strict quality control measures are taken. After completing the polishing, polish checker has to check every facets of the gemstone to finalise the excellent cut grade. From here, the polished gemstones goes to the grading department. The graded parameters are noted down for each stone.

OUR COMPETITIVE STRENGTH

We believe the following competitive strengths contribute to our success and position us well for future growth.

Quality products: Our Company believes in providing quality products to its customers. The quality management system applies to procurement, storage, marketing and distribution of gemstones. We get test of the gemstones for quality assurance with well-equipped machinery. The defective pieces, if any, found after undergoing the quality check process, are discarded. We believe that our quality products will earn us a goodwill from our customers, and result in customer retention and order repetition.

Cordial relationship with our customers: We maintain cordial relationships with our customers by strategically aligning our offerings with their requirements. We believe that timely delivery of quality products and established technical expertise will help in strengthening relationships with our customers and gaining increased business from them.

Wide varieties of gemstones: We sell diamonds and other precious stones of multiple category shape, cut, size and colour. The range of stones we trade is purely on the demand and supply in the local markets. We maintain stock of our various shaped stones depending on the customer demand.

OUR BUSINESS STRATEGY

The key elements of our business strategy are as follows:

Increasing geographical presence: We are currently located in Delhi. Going forward the company plans to expand its presence in the other geographical areas and by partnering with other store chains for space to place our products. Our emphasis is on expanding operation, which we believe will provide attractive opportunities to grow our customer base, revenues, visibility and acceptance.

Leveraging our market skills and relationships: We believe that leveraging the market skills and relationships and further enhancing customer satisfaction is a continuous process in our organization and the skills that we impart in our people give importance to customers. We are planning to make our products available in more cities by expanding our network and reaching new cities. We also have plans to enter into jewellery business in future.

Improving operational efficiencies: Our Company intends to improve efficiencies to achieve cost reductions so that we can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions. As a result of these measures, our company will be able to increase its market share and profitability.

Competitive Pricing: Price is an important aspect of a business marketing mix and changing the price can drastically affect the marketing tactics necessary for success. To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the cut-throat competition and withhold a strong position in the market.

CAPACITY AND CAPACITY UTILISATION

Our company does not have any operating history of gemstone business with respect to capacity and capacity utilization. Also, as our Company is engaged in the business of trading of diamonds including other precious gemstones, hence the same is not applicable to us.

UTILITIES & INFRASTRUCTURE FACILITIES

Raw Material

Our raw material comprises rough and unpolished gemstones. The raw materials are procured from domestic market. Generally, we procure raw materials based on the basis of management estimation and based on order received.

Power

We have arrangements for regular power supply at our office premises. The requirement of power is met by supply from BSES Rajdhani Power Limited for the office premises.

Water

Water is required only for drinking and sanitary purposes and adequate water sources are available. The requirements are fully met at the existing premises.

MARKETING STRATEGY

We believe to supply the superior quality and authentic gemstones to our customers. Further, customer satisfaction, timely delivery of orders and purchase-sell of authentic diamonds/gemstone is also our prime focus and these strategies shall help the company grow in many ways, only when we develop and maintain long-term and stable relationships with our key suppliers and key customers. Further, to ensure continuous support from our reliable and existing suppliers, we work with them on mutual agreed terms. This helps us in sourcing the right quality and authenticated diamonds/gemstone from them. Continuous and periodically review of business operation, sales and marketing strategy and distribution strategy, shall help us improve our internal processes and systems thereby increasing our business growth at a faster rate. These strategies will also contribute towards maximizing and sustaining returns to all stakeholders and assist us to compete with the unorganized and organized players in the similar line of business.

COMPETITION

Gemstone industry is competitive industry. Competition in this industry is based mainly on the quality, design, availability and pricing. We intend to take measure to reduce our procurement and distribution costs and improve our operational efficiencies. Our competition is from both the organized and unorganized sector in the business. However, we believe our true competition is with the unorganized sector.

MANPOWER

Details of the manpower employed by our Company as on date is as follows:

S. N.	Category	No. of employees
1	Whole Time Director/Executive Directors	3
2	Managerial Team i.e. Company Secretary & CFO	2
3	Manager/Supervisor/ Workmen	5
	Total	10

PLANT AND MACHINERY

Since our Company is engaged in the business of trading of diamonds including other gemstones, at present we do not own machinery.

COLLABORATIONS

The Company has so far not entered into any technical or financial or any other collaboration agreement as on the date of the Draft Letter of Offer.

IMPORT-EXPORT OBLIGATIONS

There is no Import-Export Obligation as on date of this Draft Letter of Offer.

OUR PROPERTIES

Our Registered office is rented by our Company. The detail of our property is as follows:

Lease/Rent agreement Date *	Name of the Lessor/ Landlord	Rent/ Leased/ Owned	Location of the Property	Period	Purpose
April 28, 2021	Munnia Devi Agarwal	Rent	A-6/343B, 1 st Floor, Paschim Vihar, New Delhi- 110063, Delhi, India	11 months	Used as Registered office


**Original rent agreement was executed on August 28, 2017 for a period of 11 months, and was renewed on July 28, 2018 to June 27, 2019 for a period of 11 months and again renewed on June 28, 2019 to May 27, 2020 for a period of 11 months. Further on April 28, 2021 the rent agreement was renewed for a period of 11 months*

INSURANCE

Our Company has not taken any insurance cover at present. The Company will work towards taking insurance coverage in accordance with industry standards and for such amounts that will be sufficient to cover all normal risks associated with its operations. Please refer section titled "Risk Factor" on page no. 17 of this Draft Letter of Offer.

INTELLECTUAL PROPERTY

As on the date of this Draft Letter of Offer, Our Company has neither registered its logo or company's name with the Registrar of Trademarks. Further, the company does not hold any other kind of Intellectual Property Rights. Our company has applied with the Registrar of Trademarks for registration of its logo/company's name, the details of the application is set for in the table below:

Description	Application No	Class	Status
	5266328	14	Applied

For further details, please refer section titled “Risk Factor” on page no. 17 of this Draft Letter of Offer.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (Three) and not more than 15 (Fifteen) Directors on our Board of Directors.

Currently, our Company has 6 (Six) Directors on our Board, comprising of 1 (one) Whole Time Director, 2 (Two) Executive Directors, and 3 (Three) Independent Directors including one Woman Director. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
Mr. Anand Rai S/o Mr. Braj Kishore Rai Add: Khasra No. 762, H No.-14, Vinayak Apartment, Burari, Sant Nagar, Delhi – 110084, India Occupation: Business Nationality: Indian Tenure: Appointed w.e.f June 25, 2021 and is liable to retire by rotation. DIN: 06855524 PAN: AIJPR0483R	January 04, 1985	Executive Director	Rahul Enclave Private Limited
Mr. Zabihullah Burhani S/o Mr. Mohammad Hassian Add: Khair Khana Projh, Jadid Non Wayazam, Kabul, Afghanistan-1008 Occupation: Service Nationality: Afghani Tenure: Five years w.e.f January 11, 2021 DIN: 07097788 PAN: NA	July 12, 1976	Whole-time Director	Sky World Tradelink LLP Ibrahim Zabiullah Ltd. (Foreign Company)
Mr. Mohan Jagdish Agarwal S/o. Jagdish Prakash Agarwal Add: D/212, Ramayan Nagar, Radhabai Chowk, Dassera Maidan, Ulhasnagar, Thane-421002, Maharashtra, India Occupation: Business Nationality: Indian Tenure: Appointed w.e.f February 10, 2021 and is liable to retire by rotation DIN: 07627568 PAN: AGMPA0728K	August 15, 1964	Executive Director	1. Urja Global Limited 2. Urja Batteries Limited 3. Oasis Lifestyle Private Limited(Now strike off) 4. Ring Investrade Private Limited(Now strike off) 5. Leaf Fashions Private Limited
Mr. Monendra Srivastava S/o Mr. Surendra Narayan Srivastava Add: G-35, G-Block Shakarpur, New Delhi – 110092, India	May 01, 1979	Non-Executive Independent Director	1. Ace Edutrend Limited 2. Incrosys

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
Occupation: Service Nationality: Indian Tenure: Five years w.e.f May 05, 2021 DIN: 07489845 PAN: BJQPS8723J			Technologies Private Limited
Ms. Sushma Jain D/o Mr. Jamboo Prasad Jain Add: H. No. 464, 1 st Floor, B-3 Block, Paschim Vihar, Punjabi Bagh (West), Delhi – 110063, India Occupation: Service Nationality: Indian Tenure: Five years w.e.f August 26, 2019 DIN: 08545336 PAN: AJWPJ5684N	August 08, 1962	Non-Executive Independent Director	Be Swasth Healthcare Limited
Mr. Vinay Singh S/o. Dev Naryan Singh Add: H.No.1438, Sector 1/B, P.O. Sector-1, P.S. B.S. City, Bokaro, Jharkhand-827001, India Occupation: Business Nationality: Indian Tenure: Five years w.e.f January 16, 2021 DIN: 09032266 PAN: GSBPS5315F	February 10, 1980	Non-Executive Independent Director	NIL

Brief Profiles of Directors

Mr. Anand Rai, aged 36 years, is an Executive Director of the Company. He has completed his B.Com, Part-II from Calcutta University. He has around 10 years of experience in Sales & Marketing, Business Development, Client Relationship Management, and Team Management across the Banking and Real Estate Industry having expertise in managing operations with key focus on top line profitability through sales and marketing of products and services. He is on the Board of the Company since June 25, 2021.

Mr. Monendra Srivastava, aged 42 years, is a Non-Executive Independent Director of our Company. He has completed his Master of Science (Computer science) from Maharishi Dayanand University, Rohtak. He has an experience of around 10 years in the field of Management Consulting, Business Strategy, New Business Development, Project Coordination etc. He is on the Board of the Company since May 05, 2016.

Ms. Sushma Jain, aged 58, is a Non-Executive Independent Director. She had completed her B. Com (pass) from Shaheed Bhagat Singh College, University of Delhi in the year, 1984. She worked as an agent advisor in Max Life Insurance Company from 2008-2014. She is on the Board of the Company since August 26, 2019.

Mr. Zabihullah Burhani, aged 44 years, is the Whole-Time Director of the Company. He has completed his graduation from Kabul Afghanistan. He has more than 5 years of experience in Gemstone Business, manufacturing, wholesaler, retailer, exporting and importing gemstones. He is on the Board of the Company since January 11, 2021.

Mr. Vinay Singh, aged 41 years, is an Independent Director of our Company. He is a graduate and is experienced in the field of textiles, Business Development, Client Relationship Management etc. He is on the Board of the Company since January 11, 2021.

Mr. Mohan Jagdish Agarwal, aged 56 years, is an Executive Director of our Company. He has completed his B. Com from Aggarwal College, Jaipur, University of Rajasthan in year 1986. He worked as President-Programming and Marketing in Mudra Lifestyle Limited from 2003-2012 and in Bombay Rayon Fashions Limited from 1999-2003 in Production-Planning and Marketing. He is on the Board of the Company since February 10, 2021.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been appointed in the Board.

Past Directorships in listed Companies

None of our Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on BSE and NSE during the term of their directorships in such Companies apart from Mr. Monendra Srivastava, one of our Independent directors is on the board of Directors of Ace Edutrend Limited (ISIN:INE715F01014) which is listed on BSE limited and is suspended as on date due to penal reasons and Ms. Sushma Jain one of our Independent Director is on the Board of Directors of Be Swasth Healthcare Limited (*Formerly known as Ujala Commercials Limited*) (ISIN: INE288U01011) which is listed at MSEI (Metropolitan Stock Exchange of India Limited) was suspended since March 12, 2020 due to non-payment Annual Listing Fees and the suspension was revoked w.e.f. September 03, 2020.

None of our Directors are or were, in the past ten years, a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company preceding the date of this Draft Letter of Offer.

Relationship between the Directors

None of our Directors are related to each other.

Details of service contracts entered with Directors

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

CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations with respect to corporate governance are applicable to us as we are listed on the BSE Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the committees of the Board, as required under law. Our Board functions as a full board and through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically. Currently, our Board has Six Directors. In compliance with the requirements of the SEBI Listing Regulations, we have three Executive Directors and three Independent Directors on the Board. Further, in compliance with the SEBI Listing Regulations and the Companies Act, 2013, we have a woman director on our Board.

The provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with respect to corporate governance and the SEBI (ICDR) Regulations in respect of corporate governance become applicable to our Company immediately upon the listing of Equity Shares with BSE. Our Company is not required to constitute a corporate social responsibility committee in terms of the provisions of Section 135 of the Act.

Our Company has constituted the following committees:

1. Audit Committee

The composition of the Audit Committee of the Board of Directors of the Company is as set out below:

The Audit Committee was re-constituted by a resolution of our Board dated January 11, 2021

Sr. No	Name of the Director	Designation	Position in the Committee
1	Ms. Sushma Jain	Non-Executive Independent Director	Chairman
2	Mr. Monendra Srivastava	Non-Executive Independent Director	Member
3	Mr. Anand Rai	Executive Director	Member

The terms of reference of the Audit Committee are in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

POWERS OF AUDIT COMMITTEE

- 1 To investigate any activity within its terms of reference;
- 2 To seek information from any employee;
- 3 To obtain outside legal or other professional advice; and;
- 4 To secure attendance of outsiders with relevant expertise, if it considers necessary

FUNCTIONS OF AUDIT COMMITTEE

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing, the financial statements with respect to its unlisted Subsidiaries, in particular investments made by such Subsidiaries;
- f) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications and modified opinions in the draft audit report.
- g) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- h) Scrutiny of inter-corporate loans and investments;
- i) Review of utilization of loans availed or investments by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Approval or any subsequent modification of transactions of the Company with related parties;
- m) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- n) Approving or subsequently modifying transactions of the Company with related parties;
- o) Evaluating undertakings or assets of the Company, wherever necessary;
- p) Establishing and overseeing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- q) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- r) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- s) Discussion with internal auditors on any significant findings and follow up thereon;
- t) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and
- u) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- v) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- w) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- x) Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- y) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- z) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- aa) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and
- bb) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

Besides the above, the role of the Audit Committee includes mandatory review of the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
 - b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

2. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company is as set out below:

Name of the Director	Designation	Position in the Committee
Mr. Monendra Srivastava	Non-Executive Independent Director	Chairman
Mrs. Sushma Jain	Non-Executive Independent Director	Member
Mr. Vinay Singh	Non-Executive Independent Director	Member

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated January 11, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI Listing Regulations.

Terms of reference

The Nomination and Remuneration Committee be and hereby entrusted with the following powers:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of independent directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and recommend the remuneration payable to the senior management personnel;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

3. Stakeholder Relationship Committee

The composition of the Stakeholders' Relationship Committee of the Board of Directors of the Company is as set out below :

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Sushma Jain	Non-Executive Independent Director	Chairperson
Mr. Monendra Srivastava	Non-Executive Independent Director	Member
Mr. Anand Rai	Executive Director	Member

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated January 11, 2021. The scope and functions of the Stakeholders' Relationship Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations.

Terms of Reference

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer/transmission of shares;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual report/statutory notices by the shareholders of the Company;
5. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
6. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
7. Non-receipt of declared dividends, balance sheets of the Company, annual report or any other documents or information to be sent by the Company to its shareholders; and
8. Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law

Our Key Managerial Personnel

In addition to our Executive Directors whose details are provided under “*Brief Profile of the Directors*” beginning on page no 53, the details of our other Key Managerial Personnel (KMP) as on the date of this Draft Letter of offer are set out below. All the Key Managerial Personnel’s are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel. None of the KMP is related to other KMP’s in any manner.

1. **Mr. Himanshu Gopal**, 26 years, is the Chief Financial Officer of our Company. He is a Commerce Graduate from Delhi University, having an experience of around 4 years in handling the area of Finance, Accounts and Taxation. His previous accomplishment was with Krishna Paper Product as Senior Accountant. He has been appointed as CFO of our Company on board on November 27, 2019. His responsibilities in our Company include overseeing the corporate finance, accounts, statutory and internal audit, and financial projections of our Company. He looks after the day today accounting system, tax and other related work. His salary is Rs. 36,000 /- p.m. He is the permanent employee of our Company.
2. **Ms. Kanika Chawla**, 29 years, is the Company Secretary and Compliance Officer of our Company. She has completed Master of Commerce in Business Policy and Corporate Governance from Indira Gandhi National Open University. She has experience of 5 years in corporate law and secretarial law. She joined our Company on board on August 10, 2019. Her scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act. Her salary is Rs. 60,000/ p.m. She is the permanent employee of our Company.

SECTION VII – FINANCIAL INFORMATION

SUMMARY OF FINANCIAL STATEMENTS

The summary financial information of our Company as derived from the audited financial statements of our Company for the financial year ended on March 31, 2021 and the limited reviewed unaudited financial results of our Company for the nine months ended on December 31, 2021 is reproduced below. Our summary financial information should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in chapter titled “Financial Statements” beginning on page 60 of this Draft Letter of Offer.

Sr. No.	Details	Page Number
1.	Independent Auditors’ Report on the audit of the Financial Statements for financial year ended March 31, 2021.	1-24
2.	Independent Auditors’ Review Report on review of Interim Financial Results for nine months period ended December 31, 2021.	1-4

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***Independent Auditor's Report***

To
The Members of **Mega Nirman & Industries Limited**
Report on the IND AS Financial Statements

Opinion

We have audited the standalone financial statements of **Mega Nirman & Industries Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The balances of trade receivables and other assets are subject to confirmation from third party.



**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards(IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

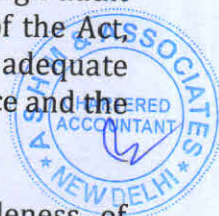
In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 user taken on basis of these standalone financial statements.

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

- i. Identify and access the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management





- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".






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3. 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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has no any pending litigations on its financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ASHM & Associates
Chartered Accountants
Firm's Registration No. 005790C




Manoj Kumar Bajaj
Partner
M.No-091107

Place: New Delhi
Date: 25th June 2021

UDIN: 21091107AAAABB6862

**Annexure 'A'**

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a),(b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
 - i. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, , Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, the company has no outstanding dues as on 31.3.2021.
 - ii. According to the information and explanations given to us, there is no amount payable in respect of service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.





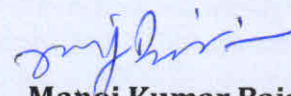
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- xii. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xiii. The company is not a Nidhi Company. Therefore clause xii of the order is not applicable to the company.
- xiv. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xvi. The balances of debtors and creditors are subject to confirmations.
- xvii. The company has not entered into non-cash transactions with directors or persons connected with him.
- xviii. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For ASHM & Associates
Chartered Accountants
Firm's Registration No. 005790C




Manoj Kumar Bajaj
Partner
M.No-091107
UDIN: 21091107AAAABB6862

Place: New Delhi

Date: 25th June 2021



ASHM & ASSOCIATES

Chartered Accountants

ANNEXURE-"B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF **Mega Nirman & Industries Limited** AS ON 31ST MARCH 2021

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

To the Members of **Mega Nirman & Industries Limited**

We have audited the internal financial controls over financial reporting of **Mega Nirman & Industries Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".] 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





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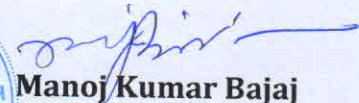
become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 ASHM & Associates
Chartered Accountants
Firm's Registration No. 005790C




Manoj Kumar Bajaj

Partner

M.No-091107

UDIN:21091107AAAABB6862

Place: New Delhi
Date: 25th June 2021

MEGA NIRMAN & INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Note No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	558,289	179,323
(b) Financial Assets			
(i) Investments	3	2,000,000	2,000,000
(ii) Loans	4	8,000,000	8,000,000
(iii) Other Financial Assets			
(c) Other Non Current Assets		2,829,850	2,829,850
(d) Deferred Tax Assets		85,963	93,982
Current assets			
(a) Financial Assets			
(i) Loans	5	35,734,591	35,419,631
(ii) Cash and cash equivalents	6	396,341	82,487
(iii) Trade Receivables	7	57,319,713	59,652,117
(iv) Inventories	8	1,912,440	-
(v) Other Financial Assets		-	-
(b) Other Current Assets	9	570,905	651,864
(c) Current Tax Assets	10	273,088	72,961
Total Assets		109,681,181	108,982,216
EQUITY AND LIABILITIES			
Equity			
(a) (i) Equity Share Capital	11	33,475,000	33,475,000
(b) Other Equity	12	15,224,586	14,739,728
Liabilities			
Non-Current liabilities			
(a) Financial Liabilities			
(i) Loans		-	-
(b) Deferred Tax Liabilities		-	-
Current liabilities			
(a) Financial Liabilities			
(i) Loans		-	-
(ii) Trade Payables	13	59,271,943	58,291,106
(iii) Other Financial Liabilities			
(b) Provision		51,246	40,000
(c) Other Current Liabilities	14	1,246,521	1,705,101
(d) Current Tax Liabilities		411,884	731,281
Total Equity and Liabilities		109,681,181	108,982,216

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements.


In terms of our report attached.

For ASHM & Associates



Manoj Kumar Bajaj
 Partner
 FRN. 005790C
 M.No. 091107


**For & on behalf of the Board of Directors of
Mega Nirman & Industries Limited**


Zabihullah Burhani
 Wholtime Director
 DIN:07097788


Mohan Jagdish Agarwal
 Director
 DIN: 07627568

Place : New Delhi
 Date: 25.06.2021


Kanika Mehra
 Company Secretary
 M. No. A50543


Himanshu Gopal
 Chief financial Officer
 PAN: BOTPG1406C

MEGA NIRMAN & INDUSTRIES LIMITED
Statement of Profit & Loss for the Year Ended 31st March 2021

(In Rupees)


Particulars	Note No.	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	15	-	18,405,327
Other Income	16	3,021,578	3,076,032
Total Income		3,021,578	21,481,359
Expenses			
Purchases of Stock-in-Trade	17	1,912,440	17,543,349
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(1,912,440)	-
Employee benefits expenses	19	1,277,000	1,249,715
Finance costs	20	1,020	750
Depreciation and amortization expenses		39,932	60,696
Other expenses	21	1,084,222	888,425
Total Expenses		2,402,174	19,742,935
Profit/(loss) before tax		619,404	1,738,424
Tax expense:			
Current Tax		155,325	474,722
Deferred Tax		8,019	(87,902)
Profit/(loss) for the period		456,060	1,351,604
Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss		-	-
- Remeasurements of the defined benefit plans, net of tax		-	-
A) (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B) (i) Items that will be reclassified to profit or loss		-	-
B) (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, Net of Tax			
Total Comprehensive Income for the year (Comprising (Loss) and Other Comprehensive Income for the year)		456,060	1,351,604
Earnings per equity share:			
(1) Basic		0.14	0.40
(2) Diluted		-	-

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements.
In terms of our report attached.

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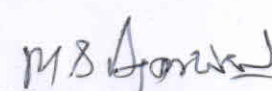
For ASHM & Associates
Chartered Accountants


Manoj Kumar Bajaj
Partner
FRN. 005790C
M.No. 091107




For & on behalf of the Board of Directors of
Mega Nirman & Industries Limited


Zabihullah Burhani
Wholetime Director
DIN: 07097788


Mohan Jagdish Agarwal
Director
DIN: 07627568

Place : New Delhi
Date: 25.06.2021


Kanika Mehra
Company Secretary
M. No. A50543


Himanshu Gopal
Chief financial Officer
PAN: BOTPG1406C

MEGA NIRMAN & INDUSTRIES LIMITED
CASH FLOW STATEMENT AS AT 31st MARCH 2021

Particulars	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	619,404	1,738,424
Add: Adjustment For		
Depreciation	39,932	60,696
Interest Income	(3,021,578)	(3,076,032)
Reversal of Provision for Tax	28,798	23,746
Operatine Profit Before Working Capital Change	(2,333,444)	(1,253,166)
Adjustment For		
(Increase)/decrease in Loans & Advances	(314,960)	3,424,689
(Increase)/decrease in Trade Receivables	2,332,404	(24,096,482)
(Increase)/decrease in Other Current Assets	80,959	33,918
(Increase)/decrease in Inventories	(1,912,440)	-
(Increase)/decrease in Current Tax Assets	(200,127)	(72,961)
Increase/(decrease) in Trade Payables	980,837	18,787,629
Increase/(decrease) in Current Liabilities	(766,731)	129,618
Cash Generated from Operation	199,942	(1,793,589)
Less: Direct Tax	(155,325)	(474,722)
NET CASH FROM OPERATING ACTIVITIES (A)	(2,288,827)	(3,521,477)
CASH FLOW FROM INVESTING ACTIVITIES		
Income from Investment	-	-
Sale of Fixed Assets	-	500,000
Fixed Assets Purchase	(418,898)	(64,300)
NET CASH FROM INVESTING ACTIVITIES (B)	(418,898)	435,700
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Income	3,021,578	3,076,032
NET CASH FROM FINANCING ACTIVITIES (C)	3,021,578	3,076,032
Net Changes in Cash & Cash Equivalents (A+B+C)	313,853	(9,745)
Opening balance of Cash & Cash Equivalents	82,487	92,232
Closing Balance of Cash & Cash Equivalents	(396,341)	(82,487)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT	(313,853)	9,745


Significant Accounting Policies (Note 1)

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached.

For ASHM & Associates
Chartered Accountants

For & on behalf of the Board of Directors of
Mega Nirman & Industries Limited



Manoj Kumar Bajaj
Partner
FRN. 005790C
M.No. 091107




Zabihullah Burhani
Whole Time Director
DIN:07097788


Mohan Jagdish Agarwal
Director
DIN: 07627568


Kanika Mehra
Company Secretary
M. No. A50543


Himanshu Gopal
Chief financial Officer
PAN: BOTPG1406C

Place : New Delhi
Date: 25.06.2021

Notes to financial statements for the year ended 31 March 2021

(Amount in Rupees unless otherwise stated)

Note 2 - Property, Plant and Equipments

Particulars	Air Conditioner	Phone	CAR	Furniture	Inventor	Shop	Vehicle	Plant and Machinery	Total
Cost:									
Balance as at 31st March 2019	27,000	70,148	1,275,000	15,090	11,550	500,000	155,000	-	2,053,788
Additions during the year	-	-	-	-	-	-	-	64,300	64,300
Deletions during the year	-	-	-	-	-	500,000	-	-	500,000
Balance as at 31st March 2020	27,000	70,148	1,275,000	15,090	11,550	-	155,000	64,300	1,618,088
Additions during the year	-	2,398	-	-	-	-	-	416,500	418,898
Deletions during the year	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	27,000	72,546	1,275,000	15,090	11,550	-	155,000	480,800	2,036,986
Depreciation:									
Balance as at 31st March 2019	24,104	37,633	1,137,095	14,301	10,815	-	154,121	-	1,378,069
Depreciation for the year	1,305	14,655	44,082	246	133	-	275	-	60,696
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	25,409	52,287	1,181,177	14,548	10,948	-	154,395	-	1,438,765
Depreciation for the year	717	8,757	29,991	169	109	-	189	-	39,932
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	26,126	61,044	1,211,168	14,717	11,057	-	154,584	-	1,478,697
Net Block:									
Balance as at 31st March 2021	874	11,502	63,832	373	493	-	416	480,800	558,289
Balance as at 31st March 2020	1,591	17,861	93,823	542	602	-	605	64,300	179,323
Balance as at 31st March 2019	2,896	32,515	137,905	789	735	500,000	879	-	675,719

*The Company has elected to measure all of its property plant and equipment at their previous GAAP carrying value as deemed cost at the transition date.

Ms. Ganesha

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FINANCIAL ASSETS

Note 3 - Investments

(In Rupees)

Particulars	31-Mar-21	31-Mar-20
NON CURRENT		
At Cost		
Unquoted Investments (Fully paid up)		
Investment in Equity Instruments	2,000,000	2,000,000
Total	2,000,000	2,000,000

Details of Other Investments

Details of Other Investments										
Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Partly Paid / Fully paid	Extent of Holding (%)		Amount (')		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of
(2)	(3)	2021 (4)	2020 (5)	(7)	2021 (8)	2020 (9)	2021 (10)	2020 (11)	(12)	(13)
Investement in Equity Instruments										
Yuvraj International Ltd. (Rs. 10/- each)	Others	200000	200000	fully	-	-	2,000,000	2,000,000	Yes	-
Total							2,000,000	2,000,000		

Note 4- Loans

Particulars	31-Mar-21	31-Mar-20
Non Current		
At Amortised Cost		
Security Deposits	-	-
Other Loans and Advances	8,000,000	8,000,000
Total	8,000,000	8,000,000

Note 5- Loans

Particulars	31-Mar-21	31-Mar-20
Current		
At Amortised Cost		
Security Deposits	-	-
Unsecured, considered good		
Other Loans and Advances	35,734,591	35,419,631
Total	35,734,591	35,419,631

Note 6- Cash and cash equivalents

Particulars	31-Mar-21	31-Mar-20
Cash In Hand	318960	72403
Bank Balances		
Yes Bank	7015	10085
HDFC bank	70366	
Total	396341	82487

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

Particulars	31-Mar-21	31-Mar-20
Cash In Hand	318960	72403
Bank Balances		
Yes Bank	7015	10085
HDFC bank	70366	
Total	396341	82487

Note 7 - Trade Receivables

Particulars	31-Mar-21	31-Mar-20
Unsecured Considered Good	57,319,713	59,652,117
Total	57,319,713	59,652,117

Note 8 - Inventories

Particulars	31-Mar-21	31-Mar-20
Stock in Trade	1,912,440	-
Total	1,912,440	-

Paul

MS Gaur

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Himanshu



Note 9 - Other assets

Particulars	31-Mar-21	31-Mar-20
Non Current		
Capital Advances	-	-
Total	-	-
Current		
Income Tax Refund	344,287	344,287
Tax Deducted At Source		
Tax Paid Under Appeal		
TDS FY 2020-21	226,618	307,577
Prepaid Expenses		
Total	570,905	651,864

Note 10 - Current Tax Assets

Particulars	31-Mar-21	31-Mar-20
GST Receivable	273,088	72,961
Total	273,088	72,961

Note 11 - Equity Share Capital

(A) Reconciliation of share capital

Particulars	Number	Amount in Rs.
Authorised Share Capital		
Equity Shares of Re.10/- each		
As at 1 April 2019	4,250,000.00	42,500,000.00
Increase/(decrease) during the year	-	-
As at 31 March 2020	4,250,000.00	42,500,000.00
Increase/(decrease) during the year	-	-
As at 31 March 2021	4,250,000.00	42,500,000.00

Particulars	Number	Amount in Rs.
Issued, Subscribed & Fully Paid up		
Equity Shares of Re.10/- each		
As at 1 April 2019	3,347,500.00	33,475,000.00
Increase/(decrease) during the year	-	-
As at 31 March 2020	3,347,500.00	33,475,000.00
Increase/(decrease) during the year	-	-
As at 31 March 2021	3,347,500.00	33,475,000.00

(B) Terms and rights attached to equity shares

Equity Shares

* The Company has only one class of Equity Shares having a par value of Re. 10/- per share. Each holder of Equity Share is entitled to one vote per share.

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

(C) Disclosure of Shares in the company held by each shareholder holding more than 5%

Name of Shareholder	31-Mar-21		31-Mar-20	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shree Bhuvanakaram TradInvest Pvt. Ltd.	-	-	199,690	5.96
	-	-	199,690	5.96

(D) There are no bonus issue and buy back of equity shares during the period of five years immediately preceding the reporting date.

(E) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Equity Shares			
	31-Mar-21		31-Mar-20	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	3,347,500.00	33,475,000.00	3,347,500.00	33,475,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares converted during the year (from Rs. 10/- to Rs.1/- each)	-	-	-	-
Shares outstanding at the end of the year	3,347,500	33,475,000	3,347,500	33,475,000

Statement of Changes in Equity for the year ended 31 March 2021

(Amount in Rupees, unless otherwise stated)



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Note - 12**(a) Equity Share Capital**

Issued, Subscribed & Fully Paid up (Equity Share)	Number of shares	Amount
At 1 April 2019	3,347,500.00	33,475,000.00
Changes in equity share capital	-	-
At 31 March 2020	3,347,500.00	33,475,000.00
Changes in equity share capital	-	-
At 31 March 2021	3,347,500.00	33,475,000.00

(b) Other Equity

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
As at 1 April 2019	-	12,000,000	1,364,378	13364378
Profit / (Loss) for the year	-	-	1,351,604	1351604
(+) Reversal of Provision of Tax	-	-	23,746	23746
(+) Prior Period Adjustment	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	12,000,000	2,739,728	14739728
Any changes	-	-	-	-
As at 31 March 2020	-	12,000,000	2,739,728	14739728
Profit / (Loss) for the year	-	-	456,060	456060
(+) Reversal of Provision of Tax	-	-	28,798	28798
(+) Prior Period Adjustment	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	12,000,000	3,224,586	15224586
Profit / (Loss) for the year	-	-	-	-
Any changes	-	-	-	-
(+) Prior Period Adjustment	-	-	-	-
As at 31 March 2021	-	12,000,000	3,224,586	15224586

Note 13. Break up of financial liabilities:

Particulars	31-Mar-21	31-Mar-20
Financial liabilities carried at amortised cost:		
Loans (Refer Note 11)		-
Trade payables	59,271,943	58,291,106
Total financial liabilities carried at amortised cost	59,271,943	58,291,106

Note 14. Other financial liability

Particulars	31-Mar-21	31-Mar-20
(a) Provision		
TDS Payable	51,246	40,000
Total	51,246	40,000
(b) Others current liabilities		
Salary & reimbursement	1,246,521	1,705,101
Total	1,246,521	1,705,101
(c) Current tax liabilities		
Provision for tax	411,884	731,281
Total	411,884	731,281



4/11/2021

Equity

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M. S. Agarwal

Note 15. Revenue from Operations

(In Rupees)

Particulars	31.03.2021	31.03.2020
Sale of Goods	-	18,405,327
Total	-	18,405,327

Note 16. Other Income

(In Rupees)

Particulars	31.03.2021	31.03.2020
Interest Income	3,021,578	3,076,032
Total	3,021,578	3,076,032

Note 17. Purchase of Stock in Trade

(In Rupees)

Particulars	31.03.2021	31.03.2020
Traded goods	1,912,440	17,543,349
Total	1,912,440	17,543,349

Note 18. Change in Inventories of Finished goods, Work-in-progress and Stock-in-

(In Rupees)

Particulars	31.03.2021	31.03.2020
Inventories at the beginning of the year:		
Raw Material	-	-
Finished Goods	-	-
Stock in Trade	-	-
	-	-
Inventories at the closing of the year:		
Raw Material	-	-
Finished Goods	-	-
Stock in Trade	1,912,440	17,543,349
	1,912,440	17,543,349
Net (increase)/ Decrease	(1,912,440)	(17,543,349)

Note 19. Employee Benefit Expenses

Particulars	31.03.2021	31.03.2020
Salary	1,197,000	1,249,715
Wages	80,000	-
Total	1,277,000	1,249,715

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Note 20. Finance Cost

Particulars	31.03.2021	31.03.2020
Bank Charges	1,020	750.00
Total	1,020	750.00

Note 21. Other Expenses

Particulars	31.03.2021	31.03.2020
Advertisement	33,880	30,100
Audit Fees	55,000	100,000
AGM Expense	14,946	24,530
Books & Periodicals	-	1,485
Conveyance Exp.	66,304	15,490
Diwali Expenses	3,130	-
Electricity Expenses	17,730	19,922
Interest Paid	25,860	111
ROC Exp.	8,000	19,400
Legal & Professional Charges	191,854	93,500
Listing Fees	300,000	300,000
Misc. Office Exp.	21,995	4,557
News Paper exp	-	1,440
General Expense	-	7,388
office expense	73,001	32,649
late filing fees	3,748	110,620
Office Rent	48,000	48,000
Postage Telegram & Courier	3,270	5,829
Printing & Stationary	20,765	28,639
Repair & Maintenance	41,592	20,322
Travelling Expenses	97,546	-
Telephone Exp.	14,330	10,923
Website Maintenance Charges	2,270	2,270
ESI return charges	-	1,138
Round Off	1	12
Software exp	10,600	10,100
Director Sitting fees	20,000	-
Packaging and forwarding charges	10,400	-
Total	1,084,222	888,425

Kavita

[Signature]

MS Jansu

Himam



Note No. 1

Significant Accounting Policies and Other Notes to Accounts

1. Significant Accounting Policies:

a) Corporate Information

Mega Nirman & Industries Limited was incorporated on 23rd March, 1983 registered under the Companies Act, 1956. The registered office of the company is situated at A-6/343B, 1st Floor Paschim Vihar, new Delhi-110063. The principal place of business is in India.

Due to covid-19, pandemic, there is recession in Mining and construction business, so company has started Precious and Semi-Precious Stones Business as its main activities during the year.

b) Basis of Preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for current/non-current distinction and certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements.

The financial statements ("Financial Statements") of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies' (Indian Accounting Standard) Rules, 2015, as amended from time to time.

c) Use of Estimates and judgments

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates.



Himanshu



MS Agarwal

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d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized.

Income from services:

Service revenue is recognized on completion of provision of services which in general coincides with invoicing to customers. Revenue, net of discount, is recognized on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from time bound fixed price contracts, are recognized over the life of the contract using the percentage of completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognized when probable.

Interest Income:

Interest income is recognized on an accrual basis using effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

e) Depreciation and Amortization

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the Written down Value method.

Amortization is recognized on a Written down Value basis over their estimated useful lives.



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The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on useful life and residual value notified for accounting purposes by Electricity Regulatory Authorities.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

f) Cash and Cash Equivalents

Cash and Cash Equivalents in Balance Sheet comprises of cash at bank and hand and short term deposits with original maturity of three months or less, which are subject to insignificant risk of change in value.

g) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities and assets are measured using the tax rate enacted or substantively enacted as on the Balance Sheet date.

h) Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year.



Himanshu



Equity

MS Grewal

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Profit/(Loss) for the year	4,56,060.26/-	13,51,603.71/-
Weighted Number of Equity Shares	33,47,500/-	33,47,500/-
Nominal Value per Share	10/-	10/-
Earnings Per Share (Basic)	0.14	0.40

i) Cash Flow Statement

Cash flows are reported using the indirect method, as per Ind AS-7, issued by the ICAI whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts and payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

j) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation on fixed assets has been provided on the basis of Written down Value over the useful lives of assets as per useful life prescribed under Schedule II of Companies Act, 2013.

When significant parts of fixed assets are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



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k) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

l) Provision & Contingencies and Commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation 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.

A 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.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

m) Provision for Gratuity

No provision for gratuity has been made as the provisions of Payment of Gratuity Act, 1972 are not applicable.

2) Other Notes to Accounts

- i. In the opinion of Board of Directors, the aggregate value of Current assets, Loans and Advances are realizable in ordinary course of business and will not be less than the amount at which these are stated in the balance sheet.



- ii. Deferred Tax Asset for the year of Rs.85,963/- as per Ind AS 12 on Accounting for Taxes on income pertaining to the timing between the accounting income and the taxable income has been recognized by the management in the Profit & Loss Account.
- iii. In the opinion of the company management, the operations of the company are considered as single segment hence Ind AS-108 on Segment reporting issued by the Institute of Chartered Accountants of India is not applicable.
- iv. In accordance with the requirement of Ind AS 24 on Related Parties notified under the Companies (Indian Accounting Standards) Rules, 2015, the name of related parties where control exists and /or with whom transactions have taken place during the year and description of relationships, as identified and certified by the Management are:

List of Related Parties:

Particulars	Name of Parties
Whole Time Director (KMP)	Mr. Narayanjee Thakur* Mr. Zabihullah Burhani**
Company Secretary & Compliance Officer (KMP)*	Ms. Kanika Mehra
Chief Financial Officer(KMP)	Mr. Himanshu Gopal

*Cessation w.e.f. 30.09.2020

**Appointment w.e.f. 11.01.2021

a. Remuneration to Key Management Personnel:

Particulars	Designation	(In Rupees)	
		Year Ended March 31, 2021	Year Ended March 31, 2020
Mr. Narayanjee Thakur (Cessation w.e.f. 30.09.2020)	Whole Time Director	Rs. 1,80,000	Rs. 6,30,000
Ms. Kanika Mehra	Company Secretary	Rs. 5,72,000	Rs. 3,01,258
Mr. Himanshu Gopal	Chief Financial Officer	Rs. 3,25,000	Rs. 95,065

b. Auditors Remuneration

Payment to auditors (including GST) comprises of the following:

Particulars	(In Rupees)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
As Statutory Audit Fees	Rs. 50,000.00	Rs. 1,00,000.00*



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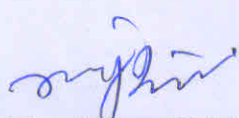
c. Contingent Liabilities

There is no contingent liability as on March 31, 2021.

3. Previous year figures have been regrouped/ reclassified wherever necessary to make them comparable with the current year figures.

In terms of our report attached.

**For ASHM & Associates
Chartered Accountants**



**Manoj Kumar Bajaj
Partner**

**FRN. 005790C M.No.
091107**



**For & on behalf of the Board of Directors of
Mega Nirman & Industries Limited**

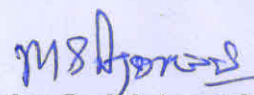


**Zabihullah Burhani
Whole Time Director**

DIN:- 07097788

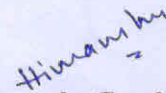


**Kanika Mehra
Company Secretary
M.No. A50543**



**Mohan Jagdish Agarwal
Director**

DIN: 07627568



**Himanshu Gopal
Chief financial Officer
PAN: BOTPG1406C**

**Place : New Delhi
Date : 25.06.2021**



ASHM & ASSOCIATES

Chartered Accountants

LIMITED REVIEW REPORT
(For the Quarter ended on December 31, 2021)

To
The Board of Directors,
Mega Nirman & Industries Limited

We have reviewed the unaudited financial results of ***Mega Nirman & Industries Limited*** (the "Company") for the quarter ended December 31, 2021, which are included in the accompanying `Statement of unaudited financial results for the quarter ended December 31, 2021 together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are 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.

Address: - Head Office: E-24, Basement, Lajpat Nagar - III, New Delhi - 110024, Ph: 011-29832120,
Branch Office: 207, Best Plaza, H-8, Netaji Subhash Place, Pitampura, Delhi-110034, Mob: 09810270448
website: www.ashm.in , e-mail: bajajca@gmail.com





ASHM & ASSOCIATES

Chartered Accountants

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards specified in Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For ASHM&Associates

Chartered Accountants

(FRN: 005790C)

Manoj Kumar Bajaj

Partner

M. No.: 091107

UDIN: 22091107ABEORI9136

Place: Delhi

Date: 10.02.2022

MEGA NIRMAN & INDUSTRIES LIMITED			
Regd. Office: A-6/343B, 1st Floor, Paschim Vihar, New Delhi-110063			
Email Id: secretarial.mnil@gmail.com, Website: www.mnil.in			
CIN: L70101DL1983PLC015425, Ph: 011-49879687			
STATEMENT OF ASSETS AND LIABILITIES (Amount in Lacs)			
	Particulars	31-12-2021 (Un-audited)	31-03-2021 (Audited)
A	ASSETS		
1	Non-current assets		
	(a) Property, Plant & Equipment	5.58	5.58
	(b) Capital Work-in-Progress	-	-
	(c) Goodwill	-	-
	(d) Other Intangible Assets	-	-
	(e) Financial Assets		
	(i) Investments	20.00	20.00
	(ii) Loans	80.00	80.00
	(iii) Other Financial Assets	-	-
	(f) Other Non current Assets	28.30	28.30
	(g) Deferred Tax Assets	0.86	0.86
	Sub-total - Non-current assets	134.74	134.74
2	Current assets		
	(a) Inventories	140.98	19.12
	(b) Financial Assets		
	(i) Loans	261.39	357.35
	(ii) Cash and Cash Equivalents	1.99	3.96
	(iii) Other Bank Balances	-	-
B	(iv) Trade Receivables	574.84	573.20
1	(v) Other Financial Assets		
	(c) Other Current Assets	7.74	5.71
	(d) Current Tax Assets	5.00	2.74
	Sub-total - Current assets	991.94	962.08
	TOTAL - ASSETS	1,126.68	1,096.82
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	334.75	334.75
	(b) Other Equity	152.33	152.25
	Sub-total - Equity	487.08	487.00
2	Liabilities		
	Non-current liabilities		
	(a) Financial Liabilities	-	-
	(b) Loans	-	-
	(c) Deferred Tax Liabilities	-	-
	Sub-total - Non-current liabilities	-	-
	Current liabilities		
	(a) Financial Liabilities	-	-
	(i) Loans	-	-
	(ii) Trade Payables	621.23	592.72
	(iii) Other Financial Liabilities		
	(b) Provisions	-	0.51
	(c) Other Current Liabilities	14.25	12.47
	(c) Current Tax Liabilities	4.12	4.12
	Sub-total - Current liabilities	639.60	609.82
	TOTAL - EQUITY AND LIABILITIES	1,126.68	1,096.82



MEGA NIRMAN & INDUSTRIES LIMITED

Regd. Office: A-6/343B, 1st Floor, Paschim Vihar, New Delhi-110063

Email Id: secretarial.mnill@gmail.com, Website: www.mnil.in

CIN: L70101DL1983PLC015425, Ph: 011-49879687

CASH FLOW STATEMENT (INDIRECT METHOD)

(Amount in Lacs)

Particulars	31.12.2021	YEAR ENDED 31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	0.08	6.19
Add: Adjustment For		
Depreciation	0.22	0.40
Misc. Expenditure w/o	-	-
Finance Cost	-	-
Interest Income	(20.34)	(30.22)
Reversal of Provision for Tax	-	0.29
Operatine Profit Before Working Capital Change	(20.03)	(23.33)
Adjustment For		
(Increase)/decrease in Loans & Advances	95.96	(3.15)
(Increase)/decrease in Sundry Debtors	(1.64)	23.32
(Increase)/decrease in Inventories	(121.86)	(19.12)
Increase/(decrease) in Trade Payables	28.51	9.81
Increase/(decrease) in Current Liabilities	(0.99)	(9.67)
(Increase)/decrease in Other Current Assets	(2.03)	0.81
Cash Generated from Operation	(2.05)	2.00
Less: Direct Tax	-	(1.55)
NET CASH FROM OPERATING ACTIVITIES (A)	(22.09)	(22.89)
CASH FLOW FROM INVESTING ACTIVITIES		
Received from Long term Loan & Advances	-	-
Income from Investment	-	-
Sale of Investment	-	-
Fixed Assets Purchase	(0.22)	(4.19)
NET CASH FROM INVESTING ACTIVITIES (B)	(0.22)	(4.19)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan	-	-
Miscellaneous Expenditure	-	-
Interest Income	20.34	30.22
Finance Cost	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	20.34	30.22
Net Changes in Cash & Cash Equivalents (A+B+C)	(1.97)	3.14
Opening balance of Cash & Cash Equivalents	3.96	0.82
Closing Balance of Cash & Cash Equivalents	(1.99)	(3.96)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT	1.97	(3.14)



OTHER FINANCIAL INFORMATION

ACCOUNTING RATIOS

Following are the Key Accounting Ratios for the financial year ended March 31, 2021:

Particulars	For the period ended December 31, 2021	As at March 31		
		2021	2020	2019
EPS Basic & Diluted (Rs)	0.04	0.14	0.40	0.49
Return on Net Worth (%)	0.25	0.10	2.98	3.76
Net Assets Value Per Share	14.55	13.68	13.53	13.14
EBITDA (Rs. in Lakhs)	1.28	6.60	17.99	23.65
Nominal Value Per Equity Share	10	10	10	10

Formula:

1. **Earnings Per Share (₹)**: Net Profit after tax attributable to Equity Shareholders/Weighted Average Number of Equity Shares outstanding during the year.
2. **Return on Net Worth (%)**: Net Profit after tax for the year attributable to Equity Shareholders / Net Worth * 100.
3. **Net Asset Value Per Share (₹)**: Net Assets as at the year-end/total number of equity shares outstanding at the end of the period.
4. **EBITDA (₹ in lacs)**: Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE so our stock market data for our Equity Shares has been given for BSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For details, see 'Terms of the Issue' on page 73 of this Draft Letter of Offer.

Our Company has received in-principle approval for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to this Rights Issue from BSE Limited by letter dated [●]. Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

For the purpose of this section:

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

Yearly Stock Market Quotation at BSE

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31,	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2021	27.20	November 25, 2020	21591	7.42	March 23, 2021	1567	17.72
2020	34.30	April 12, 2019	500	14.00	February 07, 2019 & February 20, 2019	1 & 2	20.14
2019	50.00	November 22, 2018	11307	32.45	October 15, 2018	35707	40.09

(Source: www.bseindia.com)

Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Total Volume of trade on monthly Basis
August, 2021	16.71	August 13, 2021	20082	12.26	August 26, 2021	74304	1494401
September, 2021	17.78	September 17, 2021	92163	12.92	September 03, 2021	62423	1753299
October, 2021	16.17	October 05, 2021	164307	10.51	October 29, 2021	13947	1676347
November, 2021	12.21	November 11, 2021	19476	10.48	November 02, 2021	28976	988045
December, 2021	14.40	December 29, 2021	56672	10.5	December 01, 2021	1781	626947
January, 2022	15.08	January 07, 2022	43072	13.02	January 03, 2022	43378	190822

(Source: www.bseindia.com)

Weekly Stock Market Quotation at BSE

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
February 12, 2022	3.92	14.52	February 11, 2022	12.80	February 07, 2022 and February 08, 2022
February 05, 2022	13.38	14.50	January 31, 2022	13.02	February 03, 2022
January 29, 2022	13.85	14.20	January 24, 2022	13.27	January 24, 2022
January 22, 2022	13.96	14.94	January 17, 2022	13.28	January 21, 2022

(Source: www.bseindia.com)

The closing price of the Equity Shares as on August 09, 2021 was Rs. 14.56 on the BSE, the trading day immediately following the day on which Board of Directors approved the Issue.

The closing market price of our Equity Shares as on February 16, 2022, the trading day immediately prior to the date of this Draft Letter of Offer, was Rs. 13.98 on BSE.

The Issue Price will be arrived at by our Company.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below there are no outstanding litigation, suits or criminal or civil proceedings or tax liabilities against our Company, our Promoter, Directors or Group Companies or any other person, whose outcome would have material adverse effect on our business financial position or future revenues. In this regard, please note the following:

(i) In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material' and

(ii) Except as disclosed in this section, our Company is not involved in any litigation involving issues of moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences, which are currently pending.

Our Company, from time to time, has been and continues to be involved in legal proceedings, arising in the ordinary course of its business. These legal proceedings are in the nature of civil as well as tax proceedings and we believe that the number of proceedings in which it is involved is not unusual for companies of its size doing business in India.

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company is impleaded as a defendant in litigation proceedings before any judicial forum.

LITIGATIONS INVOLVING OUR COMPANY

1. AGAINST OUR COMPANY

- a. *Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:*

Tax Liabilities

Assessment Year	Date on which demand raised	Outstanding Amount (Rs. in Lakhs)	Tax Authority
2019-20	01/05/2020	3.08	Income Tax
2017-18	26/10/2020	3.55	GST

- b. *Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:*

Nil

- c. *Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:*

Nil

- d. *Penalties imposed by regulatory authorities for violations in the past:*

In continuation to the Exchange's circular No. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019, Notice no. 20190903-37 dated September 3, 2019 and Notice no. 20200303-40 dated March 03, 2020, Exchange had identified the companies which have failed to pay outstanding annual listing fees as per Regulation 14 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, our Company was declared as defaulted company by BSE for non-payment of Annual Listing Fees (ALF). On August 31, 2020 vide notice number 20200831-20, the suspension in trading of equity shares of the Company revoked w.e.f September 03, 2020 and trading resumed to Normal Segment.

2. FILED BY OUR COMPANY

- a. *Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:*

Nil

- b. *Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:*

Nil

- c. *Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:*

Nil

- d. *Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:*

Nil

3. LITIGATIONS INVOLVING OUR DIRECTORS

Nil

4. LITIGATIONS INVOLVING OUR PROMOTER

Our Promoter, Mr. Yogesh Kumar Goyal had undergone for judicial custody as per provision of section 132(1)(b) and (c) of CGST Act, 2017. The matter is pending.

5. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoter nor our Directors are or have been classified as a willful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters issued by RBI.

6. MATERIAL CHANGES AND COMMITMENTS

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

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

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e. March 31, 2021, which may materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities except as mentioned below. Due to the COVID-19 pandemic, we were not able to conduct our business operations smoothly which in turn adversely affected our revenues and profitability during the period of April 01, 2021 till December 31, 2021.

GOVERNMENT AND OTHER STATUTORY 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 our operations. 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.

Our Company have obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. 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.

As on the date of this Draft Letter of Offer, there are no pending material approvals required for our Company to conduct our existing business and operations.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the resolution passed by our Board of Directors under Section 62 and other provisions of the Companies Act 2013, at its meeting held on August 10, 2021.

Our Company has obtained in-principle approval from the BSE for using their names in the Letter of Offer pursuant to an approval letter dated [●]. For the purpose of this Issue, BSE is the Designated Stock Exchange.

The Board of Directors in their meeting held on [●] have determined the Issue Price as Rs. [●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

On Application, the Investors will have to pay ₹ [●] per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share, which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time.

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 no. 73 of this Draft Letter of Offer.

Prohibition by SEBI, the RBI or other Governmental Authorities

Except as mentioned in this Draft Letter of offer, none of our Company, our Promoter, our Promoter Group, our Director(s) and person(s) in control of our Promoter or our Company are or have ever been prohibited from accessing or operating in the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court.

Neither our Promoter, nor any of our Director(s) or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court except as mentioned in this Draft Letter of offer. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them in past 5 years.

Our Company, its promoter is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

None of our Company, nor any of our Promoters, nor our Director(s), nor the relatives (as per the CA, 2013) of our Promoters are or have been identified as willful defaulters by the RBI or any other governmental authorities. Neither our Promoter nor our directors are declared as Fugitive Economic Offenders under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been / was delisted from any stock exchange except: i). Ujala Commercials Limited (listed at MSEI, ISIN: INE288U01011) where our one of the Director i.e. Ms. Sushma Jain is Director and was suspended due to non-payment of Annual Listing Fees since March 12, 2020 and is revoked from suspension on September 03, 2020; ii). Ace Edutrend Limited (listed on BSE limited, ISIN: INE715F01014) where Mr. Monendra Srivastava, one of our directors is on the board of Directors is suspended as on date due to penal reasons. iii). Our Company against which BSE has taken action and declared as the Defaulting Companies for non-payment of Annual Listing Fees (ALF) and suspended. However, with effect from September 03, 2020 the suspension of our Company has been revoked by BSE and trading resumed to normal segment.

We confirm that there are no proceedings initiated by SEBI, Stock Exchange or ROC, etc. on our Company, Promoter, Directors, Group Companies.

Association with Securities Market

We confirm that none of our Director(s), Promoter(s) or Promoter Group are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

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

Our Company is in compliance with the conditions specified in Regulation 62(1), to the extent applicable. Further, in relation to compliance with Regulation 62 (1) (a) of the SEBI ICDR Regulations, our Company undertakes to make an application to BSE for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company is listed only at BSE, the Designated Stock Exchange for the Issue shall be BSE.

Neither our Promoters nor any of the Directors have been declared as a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Eligibility for the Issue

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company is in compliance with the provisions specified in Part B of Schedule VI of the SEBI ICDR Regulations as our Company satisfy the conditions as explained below:

1. Our Company has been filing periodic reports, statements and information with the BSE in compliance with the Listing Agreement and/or the provisions of the Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Board.
2. The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE.
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of powers by our Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

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

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than Rs. 5000.00 lakhs.

Disclaimer from our Company, our Director (s)

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

We shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc.

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

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

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

Disclaimer in Respect of Jurisdiction

The 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 the Issue will be subject to the jurisdiction of the appropriate court(s) in Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE Ltd.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing with SEBI

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to Rs. 5000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. Issuer has filed draft letter of offer with BSE for obtaining in-principle approval.

Selling Restrictions

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

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

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

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

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

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

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. Our Company has a Stakeholders Relationship Committee which currently comprises of three directors viz. Mr. Monendra Srivastav, Ms. Sushma Jain and Mr. Anand Rai. The broad terms of reference include redressal of investors complaints pertaining to share / debenture transfers, non-receipt of annual reports, interest / dividend payments, issue of duplicate certificates etc. Our Company has been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Status of outstanding investor complaints in relation to our Company

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

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Beetal Financial & Computer services Pvt. Ltd, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-

Issue correspondence. The agreement between our Company and the Registrar provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio number / demat account number, name and address, contact telephone / cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the renouncee should be furnished.

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

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

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99, Madangir,

Behind Local Shopping Centre

New Delhi-110 062, Delhi

Telephone: +91 11 29961 281-283

Facsimile: +91 11 29961 284

Email: beetal@beetalfinancial.com; beetalrta@gmail.com

Website: www.beetalfinancial.com

Contact Person: Mr. Punit Mittal

SEBI Registration No: INR000000262

Company Secretary and Compliance Officer

Ms. Kanika Chawla

A-6/343B, First Floor, Paschim Vihar,

New Delhi-110063, Delhi

E-mail: secretarial.mnil@gmail.com

Website: www.mnil.in

Tel. No.: +91-11- 49879687

Changes in Auditor during the last three years

There has been no change in the Auditors of the Company during the last three years.

Rights issues by our Company during the last five years

Our Company has not made a rights issue of Equity Shares during the last 5 years.

SECTION IX – ISSUE RELATED 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 Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.beetalfinancial.com

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, 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 RBI or other regulatory authorities, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Important:

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, our Company will send through email or registered post or speed post, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses or registered address of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. 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 and who makes a request in this regard.

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.mnil.in;
- (ii) the Registrar at www.beetalfinancial.com;

- (iii) the Stock Exchange at www.bseindia.com ; and
- (iv) the Registrar's web-based application platform at www.beetalfinancial.com ("R-WAP").

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.mnil.in).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible in the current COVID-19. However, in light of the current COVID-19 situation, our Company 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 shall be responsible 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 or 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.

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 is being filed with SEBI and the Stock Exchanges. 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 outside India, except in accordance with and as permitted under the 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, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. 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 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 or would subject our Company or its affiliates or its affiliates to any filing or registration requirement (other than in India). 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 makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. 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 either

the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “*Procedure for Application*” on page no. 84 of this Draft Letter of Offer.

(a) ASBA facility:

Investors can submit either the Application Form in physical mode to the Designated Branch 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 should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. 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, see “*Procedure for Application*” on page no. 84 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI Circular 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 CIR/CFD/DIL/1/2013 dated January 2, 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.

(b) Registrar’s Web-based Application Platform (R-WAP):

In accordance with the Rights Issue Circular, a separate web based application platform, i.e., the R-WAP facility (accessible at www.beetalfinancial.com), has been instituted for making an Application in this Issue by resident Investors. Further, R- WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE ‘RISK FACTOR - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS’ ON PAGE 17 OF THIS DRAFT LETTER OF OFFER.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.beetalfinancial.com). For details, see “*Procedure for Application*” on page 84 of this Draft Letter of Offer.

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) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see ‘Grounds for Technical Rejection’ on page 97 of this Draft Letter of Offer. 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 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 89 of this Draft Letter of Offer

3. 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

- a. the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- b. a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to
- c. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or
- d. Equity Shares held in the account of IEPF authority, if any; or
- e. 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
- f. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- g. credit of the Rights Entitlements returned/reversed/failed; or
- h. the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such 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.

4. Application by Eligible Equity Shareholders holding Equity Shares in physical form:

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the 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, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- (i) the Eligible Equity Shareholders apply only through R-WAP;
- (ii) the Eligible Equity Shareholders are residents;
- (iii) the Eligible Equity Shareholders are not making payment from non-resident account;
- (iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and

(v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company

Accordingly, such resident Eligible Equity Shareholders are required to, within 6 (six) months from the Allotment Date, send a communication to our Company or the Registrar containing the name(s), Indian 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 post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*”, please see “*Terms of the Issue*” on page 73 of this Draft Letter of Offer.

5. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.beetalfinancial.com.
- Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company: beetal@beetalfinancial.com; beetalrta@gmail.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.beetalfinancial.com
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.beetalfinancial.com

Renouncees

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

Basis for this 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 our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.mnil.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If 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, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*, www.beetalfinancial.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*”.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to e-mail addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. The Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and 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, R-WAP, our Company through a link contained in the aforementioned e-mail sent to e-mail addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/or the Rights Entitlements under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/or Rights Entitlements 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 has been 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.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of Rs. 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 this Issue. On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share, which constitutes 75% of the Issue Price, will have to be paid, on one or more Call(s), as determined by our Board at its sole discretion, from time to time. The Issue Price has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Ranking of Equity Shares

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

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

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. 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.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Process of Credit of Rights Entitlements

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, if any; 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) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for

the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such 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.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. 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 On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be 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.*, from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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 Renouncees on or prior to the Issue Closing Date.

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.

Mode of Payment

On Application, the Investors will have to pay ₹ [●] per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ [●] per Rights Equity Share, which constitutes 75% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un- blocking of ASBA funds / refund of monies shall be completed 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.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of ₹ [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 11 Equity Shares, such Equity Shareholder will be entitled to one Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, 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, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 539767) under the ISIN: INE216Q01010. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and

thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoters and the members of our Promoter Group, see “*Capital Structure – Subscription to this Issue by our Promoters and Promoter Group*” on page no. 35 of this Draft Letter of Offer

Rights of Holders of Rights Equity Shares of our Company

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

- (a) The Rights Equity Shares shall rank pari passu with the existing Equity Shares in all respects.
- (b) The right to receive dividend, if declared;
- (c) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- (d) The right to receive surplus on liquidation;
- (e) The right to free transferability of Rights Equity Shares;
- (f) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law.
- (g) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

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

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received

within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law. Further, our Promoter and Promoter Group have confirmed that they will, subscribe to all of the unsubscribed portion in this Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

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, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through e-mail, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the e-mail addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard.

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 and one Hindi language national daily newspaper with wide circulation (Hindi being the regional language of Delhi, where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the 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 Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights 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 www.beetalfinancial.com.

The Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. 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) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

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.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.beetalfinancial.com.

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 either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R- WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on this Draft Letter of Offer.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers 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 e-mail address of the Eligible Equity Shareholders who have provided an Indian address to our Company. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail 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 other applicable Issue materials shall be sent through e-mail to e-mail address if they have provided an Indian address to our Company.

Please note that neither our Company nor the Registrar 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 e-mail 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.

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.beetalfinancial.com. 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) from the websites of:

- (i) our Company at www.mnil.in;
- (ii) the Registrar at www.beetalfinancial.com;
- (iii) the Stock Exchange at www.bseindia.com ; and
- (iv) the Registrar's web-based application platform at www.beetalfinancial.com ("R-WAP").

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.mnil.in).

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 or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. 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, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

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; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP.

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) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “- *Grounds for Technical Rejection*”. 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.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the 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, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*”.

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.

Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see “Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways”.

Set out below is the procedure followed using the R-WAP:

- (a) Resident Investors should visit R-WAP (accessible at www.beetalfinancial.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- (b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- (c) The Investors should ensure that Application process is verified through the e-mail / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
- (d) The Investors who are Renouncees should select the category of ‘Renouncee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- (e) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Rights Issue circular.
- (f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (g) Verification in respect of Application through Investors’ own bank account, shall be done through the latest beneficial position data of our Company containing Investor’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry

accepted and tested methods for online payment.

- (h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

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, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

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 Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP 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 no. 89.

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. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. 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 no. 102 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

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 Exchanges; 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.

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. 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.

(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 Exchanges under ISIN [●] 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., from [●] 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 [●] 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 and NSE 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 Renouncees 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 [●], 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.

Application 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.

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.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

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:

1. Name of our Company, being Mega Nirman & Industries Limited;
2. 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);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of [●] per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. 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;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. 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); and
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares and the Rights Entitlements referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

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

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on foreign ownership of India Securities" on page 112.

I/ We understand and agree that the Rights Entitlements 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 U.S. Securities Act.

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, 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.beetalfinancial.com

Our Company 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.

Mode of payment

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, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and 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 finalisation 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.

For details of mode of payment in case of Application through R-WAP, see “- *Procedure for Application through the R-WAP*”.

Application by 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 Rights 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 Rights 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.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the 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, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*”.

To update respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.beetalfinancial.com

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

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:

- (a) 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. The Eligible Equity Shareholders are encouraged to send the details by e-mail due to lockdown and restrictions imposed due to current pandemic COVID-19;

- (b) 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;
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - R-WAP, the website of the Registrar (www.beetalfinancial.com);
 - Our Company (www.mnil.in);
 - The Registrar at www.beetalfinancial.com;
 - 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 (*i.e.*, www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.mnil.in);

- (d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) 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, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) 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, **may also apply** in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, e-mail address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- (a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- (b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- (c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT 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.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, for “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of*

Rights Equity Shares for non-receipt of demat account details in a timely manner”, please see “Terms of the Issue” on page 73.

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 ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 102 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the 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, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*”, please see “Terms of the Issue” on Page 73.
- (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 Renouncees.
- (e) Application should be made only through the ASBA facility or using R-WAP.
- (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 Draft 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.
- (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*”.
- (h) 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 either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R- WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.
- (i) 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.
- (j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- (k) 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, or (ii) filled on the R-WAP. 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 Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

- (l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (m) 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.
- (n) 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 Investors.**

- (o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. 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.
- (p) 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.
- (q) 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.
- (r) 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.
- (s) 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.
- (t) 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.

- (u) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (v) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

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, 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.

Do's for Investors applying through R-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) 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 the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment
- (d) Ensure that you receive a confirmation e-mail on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

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 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.

Don'ts for Investors applying through R-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Investor.
- (c) Do not apply from non-resident account.

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 not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (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 or our Company.

- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) 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).
- (i) 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.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) 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.
- (o) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

- (a) Applications by non-resident Investors.
- (b) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED 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 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 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 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.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. 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 if applying through R- WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. 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..

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to their e-mail addresses if they have provided their Indian address to our Company. This Draft Letter of Offer will be provided, primarily through e-mail, by the Registrar

on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

2. 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.
3. 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.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect of Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However, supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications*” on page 84 of this Draft Letter of Offer.

In cases where multiple Application Forms 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 our Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Subscription to this Issue by our Promoters and Promoter Group*” on page 35 of this Draft Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., 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 Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue

Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft 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 Rights Equity Shares hereby offered, as provided under the section, “-Basis of Allotment” on page 102 of this Draft Letter of Offer.

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 Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

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 e-mail withdrawal request to [●] in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Issue Opening Date:	[●]
Last Date for On Market Renunciation[#]:	[●]
Issue Closing Date*:	[●]
Finalisation 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):	[●]

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 Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if 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, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see “General Information - Issue Schedule” on page no. 30 of this Draft Letter of Offer.

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).

Basis of Allotment

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

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (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 Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this 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, 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 will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any 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.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the shall be deemed to be 'unsubscribed'.

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

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

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will e-mail Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) 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 in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) 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.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

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 e-mail, to the e-mail 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.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian 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 post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, *etc.* to such Eligible Equity Shareholders to remit such proceeds.

Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;

- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time

period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
- (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- (h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

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 any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer (“NEFT”) –Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

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 of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ 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 the Rights Equity Shares in Dematerialized 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 ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated July 31, 1998 with NSDL and an agreement dated October 28, 1999 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

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

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

1. 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 such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. 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.
3. 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.
4. 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.
5. 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 holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail 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.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

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, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form”, please see “Terms of the Issue” on page 73.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re- classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this 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 Offer are advised to use the Application 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, an FPI 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 registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the 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 or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“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.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA 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.

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 makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not

be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stockinvest

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

Disposal of Application 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 and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

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 or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. 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 refunded / unblocked in the respective bank accounts from which Application Money was received / 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.

Utilisation of Issue Proceeds

Our Board declares that:

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

Undertakings by our Company

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed

shall be made available to the Registrar by our Company.

- 4) 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.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law.

Our Promoter and Promoter Group, have confirmed to subscribe, to the full extent of their Rights Entitlements, as applicable, and their intention to apply for, and subscribe to, additional Rights Entitlements, and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Important

1. Please read this Draft 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 this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID 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 “**Mega Nirman & Industries Limited – Rights Issue**” on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

Beetal Financial & Computer Services Pvt. Ltd.,
Beetal House, 3rd Floor, 99, Madangir, behind Local Shopping Centre,
New Delhi – 110062
Telephone: +91 11- 29961281-283
Facsimile: +91 11-29961284
Email: beetal@beetalfinancial.com; beetalrta@gmail.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Mittal
SEBI Registration No: INR000000262

3. 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.beetalfinancial.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91 11-29961281-283.

This Issue will remain open for a minimum 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 sectors.

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 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 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 between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DPIIT, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the 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.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer.

Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Letter of Offer until the closure of the subscription list.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A) MATERIAL CONTRACTS

1. Agreement dated January 04, 2022 between our Company and Beetal Financial & Computer Services Pvt. Ltd, Registrar to the Issue.
2. Tripartite Agreement dated March 25, 2014 between our Company, National Securities Depository Ltd. (NSDL) and Beetal Financial & Computer Services Pvt. Ltd;
3. Tripartite Agreement dated February 26, 2000 between our Company, Central Depository Services (India) Limited (CDSL) and Beetal Financial & Computer Services Pvt. Ltd;

(B) DOCUMENTS FOR INSPECTION

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated March 23, 1983.
3. Fresh certificate of incorporation dated May 01, 2013 pursuant to the change of name from “Daphene Investment and Properties Limited” to “Mega Nirman & Industries Limited”.
4. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated October 21, 2020 authorizing the Issue.
5. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Peer Review Auditor, Registrar to the Issue, Banker to the Company and Banker to the Issue to include their names in the Offer Document to act in their respective capacities;
6. Annual reports of our Company for the last Five financial years ended March 31 2017, March 31 2018, March 31 2019, March 31 2020 and March 31 2021;
7. A statement of tax benefits dated January 25, 2021 received from ASHM & Associates, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
8. Certificate dated January 10, 2022 from ASHM & Associates, Chartered Accountants, Statutory Auditors regarding “Sources & deployment of funds”;
9. In-principle listing approval(s) dated [•] from BSE Limited;

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in 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 declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

Name	Signature
Zabihullah Burhani Whole-Time Director DIN: 07097788	Sd/-
Anand Rai Executive Director DIN: 06855524	Sd/-
Mohan Jagdish Agarwal Executive Director DIN: 07627568	Sd/-
Monendra Srivastava Non-Executive Independent Director DIN: 07489845	Sd/-
Sushma Jain Non-Executive Independent Director DIN: 08545336	Sd/-
Vinay Singh Non-Executive Independent Director DIN: 09032266	Sd/-
Himanshu Gopal Chief Financial Officer PAN: BOTPG1406C	Sd/-
Kanika Chawla Company Secretary and Compliance officer PAN: CZJPK8182M	Sd/-

Place: Delhi

Date: February 17, 2022