



SHIVA GRANITO EXPORT LIMITED
Corporate Identification Number: L14200RJ2015PLC048974

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Shiva Export Co.", pursuant to a deed of partnership dated July 16, 2007. The Constitution and Capital of the partnership firm was changed pursuant to supplementary agreement modifying the partnership deed dated October 11, 2008, April 1, 2015 and November 3, 2015. M/s Shiva Export Co. was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the and style of "Shiva Granito Export Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Jaipur, Rajasthan on December 31, 2015 bearing registration no. 048974 and Corporate Identification Number L14200RJ2015PLC048974. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled 'General Information' beginning on page 36 of this Draft Letter of offer.

Registered Office: 8, Bhatt Ji Ki Baari, Udaipur – 313 001, Rajasthan;
Contact No.: +91 294 2418228; **Email:** shivaexport@gmail.com; **Website:** www.shivaexport.in;
Contact Person: Ms. Swati Maheshwari, Company Secretary & Compliance Officer

OUR PROMOTERS: SURESH UPADHYAY AND ABHISHEK UPADHYAY		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHIVA GRANITO EXPORT LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY		
ISSUE OF UP TO 1,16,29,244 FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF RS. 10.00 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF RS. 25.00 EACH INCLUDING A SHARE PREMIUM OF RS. 15.00 EACH PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO RS. 29,07,31,100/-* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 22 RIGHTS EQUITY SHARES FOR EVERY 25 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] DAY, [●] (THE “RECORD DATE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 2.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 158.		
*Assuming full subscription with respect to Rights Equity Shares.		
WILFUL DEFAULTER OR FRAUDULENT BORROWER		
Neither our Company nor any of our Promoters or Directors has been categorized as a Wilful Defaulter or Fraudulent Borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India.		
GENERAL RISK		
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares 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 the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 21 of this Draft Letter of offer.		
ISSUER’S ABSOLUTE RESPONSIBILITY		
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The existing Equity Shares are listed on the BSE Limited (“BSE”) (the “Stock Exchanges”). Our Company has received ‘in-principle’ approval from the BSE Limited for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.		
REGISTRAR TO THE ISSUE		BANKERS TO AN ISSUE
Bigshare Services Private Limited Address: Office No S6-2, 6 th Floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra Tel: 022-62638200, 022-62638295, +91-7045454390 Email: Rightsissue@bigshareonline.com Investor Grievance Email: Investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration No.: INR000001385 CIN: U99999MH1994PTC076534		[●]
ISSUE PROGRAMME		
ISSUE OPENS ON: [●]	LAST DATE FOR ON MARKET RENUNCIATION*	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 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 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.		

(This page [●] is intentionally left blank)

TABLE OF CONTENTS

Contents	Page No.
Section – I Definitions and Abbreviations	04
Company Related Term	04
Issue Related Terms	05
Industry Related Term	08
Conventional and General Terms	09
Notice to Investor	13
No offer in the United States	14
Presentation of Financial Information and Use of Market Data	15
Forward Looking Statements	17
Section II – Summary of Letter of Offer	19
Section III – Risk Factors	21
Section IV – Introduction to the Issue	35
General Information	36
Capital Structure	40
Section V – Particulars of the Issue	42
Objects of the Issue	42
Statement of Tax Benefits	47
Section VI – About the Company	50
Industry Overview	50
Our Business	70
Our Management	100
Section VII – Financial Information	104
Auditors’ Report and Financial Information of Our Company	109
Capitalisation statement	138
Management’s Discussion and Analysis of Financial Condition and Results of Operations	139
Market price information	146
Section VIII – Legal and Other Regulatory Information	147
Outstanding Litigations	147
Government and Other Statutory Approvals	149
Other Regulatory and Statutory Disclosures	151
Section IX – Issue Related Information	158
Terms of the Issue	158
Process of making an application in the issue	160
Section X – Other Information	188
Material Contracts and Documents for Inspection	188
Section XI – Declaration	189

SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below, which you should consider when reading the information contained herein.

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 SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits, Financial Statements, Industry Overview, Summary of this Draft Letter of Offer, Outstanding Litigation and Term of the Issue Related beginning on page 47, 104, 50, 19, 147 and 158, respectively, shall have the meaning given to such terms in such sections.

I. GENERAL TERMS

Shiva Granito Export Limited	Unless the context otherwise indicates or implies refers to Shiva Granito Export Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 having its registered office at 8, Bhatt Ji Ki Baari, Udaipur – 313 001, Rajasthan
------------------------------	--

II. COMPANY RELATED TERMS

TERM	DESCRIPTION
Act/ Companies Act	The Companies Act, 2013 to the extent applicable.
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The statutory auditor of our Company, being M/s. Nenawati & Associates, Chartered Accountants, Udaipur.
Audited Financial Statements/ Audit Reports	Audited Financial Statements refers to the audited report for the Financial Year ending on March 31, 2022.
Board/ Board of Directors	Board of Directors of our Company, including any committees thereof.
Managing Director	Managing Director of our Company, being Mr. Abhinav Upadhyay.
Chief Financial Officer	Chief Financial Officer of our Company, being Mr. Abhishek Upadhyay.
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company in this case being, Ms. Swati Maheshwari.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shareholder/ Shareholders	A holder of Equity Shares.
Equity Shares	The equity shares of our Company of a face value of Rs. 10.00 each, unless otherwise specified in the context thereof.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Key Management Personnel / KMP	Key Management / Managerial Personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations.
Memorandum / Memorandum of Association / MOA	Memorandum of association of our Company, as amended from time to time.
Promoter(s)	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(oo) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
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	The registered office of our Company located at 8, Bhatt Ji Ki Baari, Udaipur – 313 001, Rajasthan
Registrar of Companies / Registrar of Companies, Rajasthan / ROC	The Registrar of Companies, Rajasthan.
Secretarial Auditor of the Company	M/s. P. Talesara & Associates, Company Secretaries, Udaipur.
Statutory Auditors	The current statutory auditors of our Company, Viz., M/s. Nenawati & Associates, Chartered Accountants, Udaipur.
Subsidiaries	Companies or body corporates constituting the subsidiary of our Company as determined in terms of Section 2(87) of the Companies Act, 2013.

III. ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer ALOF	The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Equity Shares in terms of this Draft Letter of Offer.
Application	Application made by the Applicant through (i) submission of the Application Form or plain paper Application to the Designated Branch of the Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable at the time of Application, i.e., Rs. 25.00 per Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application.
ASBA Applicant / ASBA Investor	Applicant/Investor proposing to subscribe to the Issue authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.

Banker(s) to the Company	Bank of [●].
Banker(s) to the Issue/ Escrow Collection Bank	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●].
Banker to the Issue Agreement	Agreement dated [●] to be entered into by and among our Company, the Registrar to the Issue, the Advisor to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants / Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in “Terms of the Issue” on page 158.
Controlling Branches / Controlling Branches of the SCBSs	Such branches of the SCBSs which coordinate bids under the Issue with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branches of the SCBSs which shall collect the Application Form or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.

Draft Letter of Offer / DLOF	This Draft Letter of Offer dated January 25, 2023.
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date, i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “Notice to Investors” on page 13.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	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.
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 case being, [●].
General Corporate Purposes	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.
IEPF	Investor Education and Protection Fund.
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, being [●] and the Renouncee(s).
Issue / Rights Issue	Issue of up to 1,16,29,244 equity shares with a face value of Rs. 10.00 each (“Rights Equity Shares”) of our Company for cash at a price of Rs. 25.00 each including a share premium of Rs. 15.00 per Rights Equity Share (“Issue Price”) for an aggregate amount up to Rs. 29,07,31,100/- on a rights basis to the existing equity shareholders of our Company in the ratio of 22 (Twenty Two) Rights equity shares for every 25 (Twenty Five) Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on [●] day, [●] (the “Record date”). The issue price for the rights equity shares is [2.5] times the face value of the equity shares. *Assuming full subscription with respect to Rights Equity Shares.
Issue Closing Date	[●]
Issue Opening Date	[●]

Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants / Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 25/- per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	Issue of up to 1,16,29,244 Rights Equity Shares aggregating to an amount up to Rs. 29,07,31,100/-
Letter of Offer / LOF	The final letter of offer dated [●] to be issued by our Company in connection with the Issue.
Material Subsidiaries	Our Company does not have any Material Subsidiaries as of now except as defined under “Subsidiaries” above.
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020.
Multiple Application Forms	Multiple Application Forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see “Objects of the Issue” on page 42.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.

On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●].
Off Market Renunciation	The renouncement 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, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being, [●].
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●].
Registrar / Registrar to the Company and Issue/RTA	Registrar / Registrar to the Company being M/s. Bigshare Services Private Limited.
Registrar Agreement to Issuer	Agreement dated [●] entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through Karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	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.

Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company having a face value of Rs. 10.00 per share and to be Allotted pursuant to the Issue.
SEBI Rights Issue Circulars	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Self-Certified Syndicate Banks / SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Stock Exchanges	BSE Limited where the Equity Shares of the Company are presently listed.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or a Fraudulent Borrower	A wilful defaulter or a Fraudulent Borrower, as defined under the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Udaipur are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Udaipur are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

IV. INDUSTRY RELATED TERMS

TERM	DESCRIPTION
AIGSA	All India Granites and Stone Association
ARMs	Additional Revenue Measures
ASPIRE	A scheme for Promoting Innovation and Rural Entrepreneurs
BBB	Better Business Bureaus
BMW	Bayerische Motoren Werke AG
BSE	BSE Limited
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE
CAP	Corrective Action Plan
CGTMSE	Credit Guarantee Trust Fund for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CPI	Consumer Price Index
Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
DoNER	Development of North Eastern Region
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HTC	HTC Corporation
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IMF	International Monetary Fund

TERM	DESCRIPTION
JV	Joint Venture
MAT	Minimum Alternative Tax
MOH	Measurement of Hardness
M-o-M	Month-On-Month
MoS	Minister of State
MSECDP	Micro and Small Enterprises- Cluster Development Programme
MSMEs	Micro, Small and Medium Enterprises
MUDRA	Micro Units Development & Refinance Agency Ltd.
MYEA	Mid-Year Economic Analysis
NITI Aayog	The National Institution for Transforming India Aayog
NMP	National Manufacturing Policy
OGL Scheme	Open General License Scheme
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
PC	Pay Commission
PMEGP	Prime Minister's Employment Generation Programme
PMI	Purchasing Managers' Index
PMMY	Pradhan Mantri MUDRA Yojana
PMO	Prime Minister's Office
PPP	Purchasing Power Parity
RIRI	Rational Investor Ratings Index
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SiO ₂	Silicon dioxide
SMEs	Small And Medium Enterprises
TADF	Technology Acquisition and Development Fund
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UK	United Kingdom
UP	Uttar Pradesh
US Fed	United States Federal Reserve
US\$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WPI	Wholesale Price Index

V. CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

TERM	DESCRIPTION
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	The Companies Act, 2013 and the rules made thereunder
Competition Act	Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry,

	Government of India
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
Exchange Information	Collectively constitutes and includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year/ FY / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government / GOI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Income-tax Act / I.T. Act / IT Act	Income-tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
India	Republic of India
IPO	Initial public offering
ISIN	International Securities Identification Number allotted by the depository
IT / IT Act	Information Technology, Information Technology Act, 2000
Listing Agreements	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax

MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mn.	Million
MOU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the SEBI (Mutual Fund) Regulations, 1996.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net asset value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	A person resident outside India as Non-Resident Indian, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA.
OCI	Overseas Citizen of India
P.A.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Regulation S	Regulations S under the Securities Act
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SDR	Strategic Debt Restructuring
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
State Government	Government of a state of India
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
UAE	United Arab Emirates
U.S.	United States of America
USD	United States Dollar
U. S. QIB	A qualified institutional buyer as defined in Rule 144A under the Securities Act
US Securities Act	United States Securities Act of 1933
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
YOY	Year on Year

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

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement 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 Abridged Letter of Offer or Application Form may come are required to inform them about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, subject to the applicable law.

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 this 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 this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft 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 this Draft 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 this Draft 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 this Draft 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 this Draft Letter of Offer, 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. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft 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 herein is correct as at any time subsequent to the date of this Draft 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 THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT 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 not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

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

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is 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.

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Draft Letter of Offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Shiva Granito Export Limited.

Financial Data

Unless stated otherwise, financial data in this Draft Letter of Offer is derived from the Audited Standalone Financial Statements for the financial year ended 31st March, 2022 and 2021 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 and Units of Presentation

In this Draft Letter of Offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Exchange Rates

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

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 21 of this Draft Letter of Offer.

Conversion rates for foreign currency

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

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

Name of Currency	(Amt. in Rs.)	
	31-03-2022	31-03-2021
1 U.S. Dollar	75.81	73.50
1 EUR	84.66	86.10
1 GDP	99.55	100.95

Source: www.fbil.org.in

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Industry Overview”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as ‘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;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- 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 21 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 or 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. Neither our Company, our Directors, our Promoter nor any of their respective affiliates or advisors have any obligation to update or revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations, 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 THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Statements”, “Outstanding Litigation and Defaults”, “Terms of the Issue” on page 21, 42, 50, 70, 104, 147, and 158 respectively.

Summary of our Business

Shiva Granito Export Limited (SHIVAEXPO) is based in Udaipur and was established as a public limited in 2015.

For further details, see “*Business Overview*” on page 70.

Summary of Industry

Introduction

Presently the Company is into the business of Manufacturing engineered quartz stone slabs, different grades of resins and quartz stone powder and manufacture & dealing of God & Goddess Statues / deities. The sole intention of the right issue is to utilize the proceeding from the right issue for the established Manufacturing Unit and also use it for the Trading of God & Goddess Statues / deities.

For further details, see “*Industry Overview*” on page 50.

Objects of the Issue

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

(Rs. In Lakhs)	
Particulars	Amount
To meet Working Capital requirement of the Company	2310.50
General corporate purposes	546.81
Issue related expenses	50.00
Total Issue Proceeds	2907.31

For further details, see “*Objects of the Issue*” on page 42.

Intention and extent of participation by our Promoters and Promoter Group

The Promoters vide their letter dated January 25, 2023, have, indicated their intention to subscribe, jointly and / or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter(s) or member(s) of the Promoter Group of our Company subject to availability of funds. For further details, please see the chapter titled “Capital Structure” beginning on page 41 of this Draft Letter of Offer.

Summary of Financial Information

The following table sets forth summary financial information derived from the Audited Financial Statements of the Company. The financial information as of and for the financial year ended March 31, 2022 and 2021 is derived from the comparatives presented in the Standalone Audited Financial Statements.

Particulars	(Rs. in Lakhs)	
	As at and for the year ended March 31,	
	2022	2021
Equity Share Capital	1321.505	1321.505
Net Worth	1423.877	1413.375
Total Income	905.236	646.112
Profit/ (Loss) after tax	10.503	(0.156)
Basic & Diluted EPS	0.079	(0.001)
Net asset value per Equity Share	10.77	10.70

Total borrowings #	504.598	445.384
--------------------	---------	---------

consists of borrowings under non-current liabilities and borrowings under current liabilities

Qualifications of the Auditors

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 2021-22, 2020-21 and 2019-20.

Summary of Contingent Liabilities

For details regarding our contingent liabilities for FY 2022 and FY 2021, please refer to ***Financial Statements***” beginning on page 104.

Summary of Related Party Transactions

For details of our related party transactions for FY 2022 and FY 2021, please refer to ***Financial Statements***” beginning on page 104.

Financing Arrangements

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

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

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

Outstanding Litigations:

For details, see ***Outstanding Litigations and Defaults***” beginning on page 147 this Draft Letter of Offer.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see ***Risk Factors***” on page 21.

SECTION [III] – RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries.

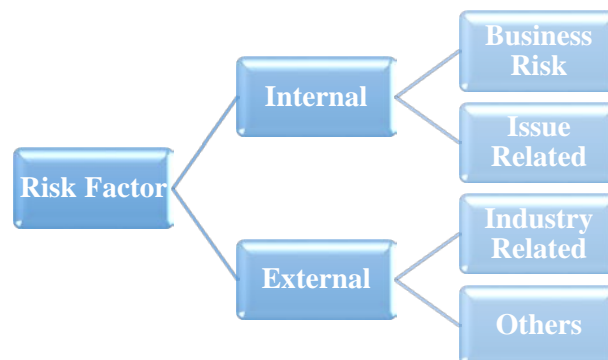
The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 70, “Our Industry” beginning on page 50 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 139 respectively, of this Letter of Offer as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Letter of Offer. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 4 of this Draft Letter of Offer. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.



Internal Risk Factors

Business Specific:

1. ***Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.***

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and Inventories.

Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 42 of this Draft Letter of Offer.

2. ***Our business of manufacture and dealing of God & Goddess Statutes/Deities depends on the exclusive designs of the same and our dependency upon artisans who make the God & Goddess Statutes/ Deities is of crucial importance.***

God & Goddess statues provide the feeling of warmth and wellness due to its attractive and creative designs. Everyone understands the importance of placing such exclusively designed statues of deities in their home. The importance of design in such God & Goddess Statutes / Deities is of crucial importance in defining their commercial market and marketability. There are many local artisans available in the industries who are engaged in bringing forth an exclusive ambit of God & Goddess statues/ Deities. Exclusive designs of God & Goddess Statutes / Deities commands higher price in the competitive market. Customers expect and creative designs in God & Goddess Statutes / Deities. Our failure to cater the most exclusive designs of God & Goddess Statutes / Deities to our valuable customers will affect scalability of our business. Lack of creativity in the designs of God & Goddess Statutes / Deities may affect the customer preference for our products, thereby impacting our revenue from operations. Our business of manufacturing / processing of God & Goddess Statutes / Deities depends on artisans who make them with creativity and fineness. There is no assurance of timely supply of God & Goddess Statutes/ Deities as it is completely dependent on human creativity and efforts. Supply of quality God & Goddess Statutes/ Deities depends on artisans availability and their work.

3. ***Significant business of God & Goddess Statutes/deities is with customers at doorstep and on cash basis.***

We operate in retail business of God & Goddess Statutes/deities which are made through customers at our doorstep. These sales are cash sales which forms major portion of our revenue of God & Goddess Statutes/ Deities. Since there is cash involved, there can be chance of duplicate notes, burglary etc. Theft or misappropriation of cash may be assisted by suppression, falsification or destruction of accounting records, or where no initial records are created at all. 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 operation.

Further Our Company purchases marbles, stones, semi-finished statues in cash, which may not be allowed as deductible expense under the Income-tax Act, 1961. We have not received any notice from Income Tax or any regulatory authority, however there can be no assurance that we will not be subject to any liabilities. Such non-compliance may render us liable to penalties and other regulatory actions.

4. ***We are dependent upon mining industry, as quartz stone is our major raw material***

Manufacturing of quartz slab or processing of quartz powder requires quartz stones. Quartz stones are mined. We are thus dependent upon mining Industry and any change in regulations or any factor affecting its operation which in turn may affect our supply of raw material and thus may impact our own growth prospects and may result in decline in profits and turnover of sales.

5. *An increase in the prices of our basic raw materials i.e. Anhydride, Styrene etc., will raise our manufacturing costs for making resins and could adversely affect our profitability.*

We have no control on the prices of our basic raw material viz. Anhydride, Styrene in making resins. The prices of these raw materials could fluctuate due to availability and demand. In the recent past, there have been wide fluctuations in the prices of our raw material. Such fluctuations in prices of raw material and our inability to negotiate at optimum market rates may affect our profitability.

We typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

6. *We are subject to risks arising from exchange rate fluctuations.*

Importing of raw materials Anhydride, Styrene etc. exposes us to foreign exchange risk Exporting of our goods helps us gain a foreign exchange earnings and outgo in terms of FOB value of exports. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect the Company to the extent of cost of goods sold or purchased in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since a part of sale of quartz slab is sold in international markets and raw material is purchased from International markets.

7. *Our revenues of quartz slab/resin are majorly derived from third-party distributors, and distributors' actions may have an adverse effect on our business and results of operations. third-party distributors.*

We rely on third-party distributors for selling quartz slab and we depend on the success of their selling and marketing efforts and we may be unable to devote adequate resources to selling, marketing and servicing our products directly. In addition, we have less control in markets where we sell through distributors than in markets where we distribute directly. The actions of our distributors could also harm our company reputation in the marketplace. Any disruption in our distribution network could have a negative effect on our ability to sell our products which could materially and adversely affect our business and results of operations.

8. *Our business may be affected by changes in consumer preferences or the development of alternative of quartz slab/countertop products.*

The majority of our end-consumers are those re-facing or replacing kitchen countertops, and to some extent to bathroom countertops and surfaces and other applications. Factors that strongly affect consumer purchasing decisions include popular home interior design trends, product quality, price, slab width, product line breadth, design leadership, time to market, customer service and distribution coverage. If we are unable to anticipate or react quickly to changes in consumer preferences in these areas, we may lose market share and our results of operations may suffer. In the future, consumers may not place as much value on quartz surfaces, which could reduce our market share or require us to lower our prices. End-consumers' preferences may change in response to poor installations of our products by third parties, including fabricators and installers, which we do not control. Widespread or publicized inferior installations of our products could have a material adverse impact on our brand. End-consumers' demand for our products could change if a serial manufacturing defect is identified in our products, which could harm our reputation in the marketplace. The development of a new surface material that decreases consumers' demand for quartz products may also result in a loss of market share and our results of operations may suffer. If we are unsuccessful in competing against a new surface material, we could lose future sales and market share, which would have an adverse impact on our revenues, profitability and cash flows.

9. *Introduction of alternative products may reduce demand for our existing products and may adversely affect our profitability and business prospects.*

Our Products are majorly used for residential purpose and are mostly sold into the home renovation and more particularly for kitchen counter tops. Our customers may decide to seek alternative like granites coupled with the development of more alternatives, which may adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Further, any substantial change in the spending habits of consumers who are end users of where our products are used, business of our customers will affect which in will affect the demand for our products. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

10. *Our Company is dependent on third party transportation providers for the delivery of finished products especially quartz slab and God & Goddess Statutes/deities and any disruption in their operations or a decrease in the quality of their services could affect our company's reputation and results of operations*

Our Company uses third party transportation providers for delivery of finished products. Our products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of goods may have an adverse effect on our business and results of operations. In addition though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations.

Further, disruptions of transportation services due to weather – related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

11. *The Promoter Group of our Company does not include Kaushala Vyas, Harshit Vyas, Divya Vyas, Vijaya Kanta Pundit, Manju Tripathi, Mahesh Sukhwal and Uma Tripathi and/or any entity(ies) in which these persons may have an interest.*

The Promoter Group of our Company does not include certain relatives of our Promoters, namely, Kaushala Vyas, Harshit Vyas, Divya Vyas, Vijaya Kanta Pundit, Manju Tripathi, Mahesh Sukhwal and Uma Tripathi and/or any entity(ies) in which they severally or jointly may have an interest. They have refused to provide any information pertaining to them or any such entities. A declaration has been provided by the Promoters excluding the above person/entities from Promoter Group. Apart from the said declaration, there are no formal disassociation arrangements between them.

12. *There are no supply agreements for the raw materials with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the raw material supply or due to non-availability of raw material.*

We do not have written agreements with our vendors/suppliers and operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials supply or the non-availability of raw material from alternate source, the production schedule may be adversely affected impacting the sales and profitability of the Company.

13. *We do business with our customers on purchase order basis and do not have long-term contracts with most of them.*

Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long-term contracts with most of our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our long-standing customers. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

14. *We depend on our Directors, senior management team and other skilled and experienced personnel to operate our business effectively, and the loss of any of these individuals could adversely affect our business and our future financial condition or results of operations.*

We are dependent on the skills and experience of our senior management team and other skilled and experienced personnel. These individuals possess managerial, sales, marketing, manufacturing, logistical, financial and administrative skills that are important to the operation of our business. The loss of any of these individuals or an inability to attract, retain and maintain additional personnel could prevent us from implementing our business strategy and could adversely affect our business and our future financial condition or results of operations. We cannot assure you that we will be able to retain all of our existing senior management personnel or to attract additional qualified personnel when needed. Further, our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

15. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of Shiva Granito Exports Limited from M/s. Shiva Exports Co., the failure to obtain or apply for change of name for them in a timely manner may adversely affect our operations.*

We require a number of approvals, licenses, registrations and permits for our business. Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. Further a complete series of approvals is required to be obtained for our manufacturing unit.

Also, we were a partnership firm in the name of M/s Shiva Exports Co which was carrying business of manufacturing of Engineered Quartz Stone Slabs, Resin and Quartz powder as well as exporting all kinds of marble and granites. As per Companies Act, 2013, a partnership firm can be converted into company. After complying with the relevant procedure of Companies Act, 2013 the said partnership firm M/s Shiva Export Co was converted into a public limited company of M/s Shiva Granito Export Limited. We have applied for transfer of certain approvals which are still in the name of partnership firm, in the name of company. In case we fail to obtain the same in name of the company, it may adversely affect our business or we may not be able to carry our business. Additionally our company has not applied for change of name of the pending approvals mentioned in the chapter "Government and Other Statutory Approvals" on page 149 of this Draft Letter of Offer.

If we fail to obtain/convert any applicable approvals, licences, registrations and permits in a timely manner, we may not be able to expand our business on time, or at all, which could affect our business and results of operations. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

16. *Our manufacturing units and registered office are not owned by us. In the event, we are unable to renew the lease/rent agreements, or if such agreements are terminated, we may suffer a disruption in our operations.*

We do not own the manufacturing Units situated at village Vana, near Mangalwad, Udaipur-Dabok Road, Rajasthan, from where we manufacture our products and registered office situated at 8, Bhatt ji ki Baari, Udaipur-313001, Rajasthan. We have taken the premises for manufacturing on lease which is valid until December 31, 2028 from our group Company, Shiva Explosives India Private Limited and have taken the registered office premises on rent from our promoter director Suresh Upadhyay. If we do not comply with certain conditions of the lease/rent agreement it may lead to termination of the lease/ rent agreement, which could have an adverse effect on our operations and there can be no assurance that renewal of lease/ rent agreement with the owner of the land/ premises will be entered into. In the event of non-renewal of lease/rent agreement, there can be no assurance that the arrangement we enter into would be on such terms and conditions as the present one.

17. *Advancement in technology may render our current technologies, facilities and machineries obsolete or require us to make substantial capital investments towards the same.*

Modernization and technology up-gradation is essential to provide better products. The industry in which we operate is subject to significant technological advances, with the constant introduction of new and enhanced products and significant price competition. Our ability to adopt new technology to respond to new and enhanced products poses a challenge in our business. Although we strive to keep our technology, facilities and machineries with the latest standards, the technologies, facilities and machineries we currently employ in our business may become obsolete and we may not have the adequate resources to make capital investments. We cannot assure that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Further, our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. The costs of implementing new technologies or upgrading our existing technology could be significant which could adversely affect our business, results of operation and thereby affecting our cash flows and financials.

18. *Our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, workmen's compensation etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.*

We attempt to maintain insurance against losses which could occur on account of factors like accidents leading to injury, other natural and manmade causes of accidents, damage to production facilities and the environment. There could be situations where our insurance policies may not be sufficient in covering all the losses which we may suffer. If we suffer an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, terrorism, workmen's compensation etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

19. *We may face risks of litigation and liability claims on environmental, product liability and other matters, the extent of such exposure can be difficult or impossible to estimate and which can negatively impact our financial condition and results of operations.*

Our manufacturing facility and operations are subject to numerous laws and regulations of the State of Rajasthan relating to pollution and the protection of the environment, including those governing emissions to air, discharges to water, soil and water contamination, purchase, use, storage and transport of hazardous materials, storage, treatment and disposal of waste and protection of worker health and safety. Liability under these laws involves inherent uncertainties.

We are also subject to environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous Waste Management & Handling Rules, 2008
- other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Gujarat

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

Violations of environmental, health and safety laws are subject to civil, and, in some cases, criminal sanctions. We may not have been, or may not be, at all times, in complete compliance with all requirements, and we may incur material costs or liabilities in connection with such requirements, or in connection with remediation at site we own. Continued government and public emphasis on environmental issues can be expected to result in increased future investments for environmental controls at ongoing operations, which could negatively impact our financial condition and results of operations.

We use various substances in our products and manufacturing operations which have been or may be deemed to be hazardous or dangerous. We cannot predict whether we may become liable under environmental and product liability statutes, rules, regulations and case. The amount of any such liability in the future could be significant and may adversely impact our financial condition and results of operations.

- 20. *We employ contract labourers for carrying out our manufacturing process by way of entering into contracts for a fixed period, subject to renewal options. Any delay in renewals or non-renewal of contracts on time shall affect the manufacturing timeline and thereby affecting our revenue from operations. Further Our Company has not complied with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and which can be subject to penalties and regulatory actions.***

Our industry being labour intensive, demands several labourers to maintain a smooth and stable production timeline. We employ contract labourers for carrying out our manufacturing process by way of entering into contracts for a fixed period, subject to renewal options. There can be no assurance that the relevant contractors will renew any of such contracts in time or at all. Any delay in renewals or non-renewal of contracts on time shall affect the manufacturing timeline and thereby affecting our revenue from operations. Further, these contracts are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions, which may lead to cancellation, revocation or termination of relevant contracts. Further Our Company has not complied with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 for the contract labourers which we have employed. Such non-compliance may render us liable to penalties and other regulatory actions under the Contract Labour (Regulation and Abolition) Act, 1970.

- 21. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the

threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

22. *Our operations may be adversely affected in case of industrial accidents at any of our production facilities.*

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, heating processes etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery and personnel are covered under insurance, occurrence of accidents could hamper our production and consequently affect our profitability.

23. *Our logo is currently not registered under the Trade Marks Act, 1999.*



Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act, 1999, and consequently do not enjoy the statutory protections accorded to a trademark registered in India. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our trademarks are registered, we may only get passing off relief for our marks if used by others, which could materially and adversely affect our brand image, goodwill and business.

24. *Our Company has made certain non-compliances as per the Companies Act, 2013 and various SEBI rules and regulations. Such non-compliances may attract penalties.*

Our company has made certain non-compliances as per the Companies Act, 2013 and various SEBI rules and regulations. Such non-compliance may in the future render us liable to statutory penalties, which may have consequence of violation of statutory provisions concerned.

25. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.*

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

26. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

27. *Negative publicity with respect to our products or the industry in which we operate could adversely affect our business, financial condition and results of operations.*

Our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding us, our products i.e., Quartz powder, Resin and Quartz Slab could adversely affect our reputation and our results of operations. Challenges to the conflict-free status of Quartz Slab used in our Engineered Stone/artificial stone/Countertop industry and sold by us may result in a negative change in consumer attitudes and could result in negative publicity, having a material adverse effect on our business, financial condition and results of operations.

- 28. *We have not made any alternate arrangements for meeting our capital requirements for the ‘Objects of the Issue’. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 42 of this Letter of Offer.

- 29. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. ***Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

- 30. *We have related party transactions and may continue to do so in the future.***

Our Company has entered into certain transactions with our related parties including our Promoters, the Promoter Group, our Directors and their relatives. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to section “Related Party Transactions” in Section “Financial Statements” beginning on page 104 of this Letter of Offer.

ISSUE RELATED RISK:

- 31. *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 Share holders who fail (or are notable) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

32. Applicants to the Issue are not allowed to withdraw their bids after the Issue Closing Date.

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

33. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sale of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Long-term capital gains (LTCG) over Rs 1 lakh on listed equity shares per financial year is taxable at the rate of 10% without the benefit of indexation. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The GOI announced the union budget for fiscal year 2023, following which the Finance Bill, 2022 was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill 2022 received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("Finance Act 2022"). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2022 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

35. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

36. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

37. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

38. *There are restrictions on daily/weekly/monthly/annual movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Once listed, we would be subject to circuit breakers imposed by stock exchange in India i.e. BSE Limited, which does not allow transactions beyond specified increases or decreases 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 circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

39. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.*

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Letter of Offer. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchange, we are required to refund all monies collected to investors.

EXTERNAL RISK FACTORS

40. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.*

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Letter of Offer, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

41. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Custom duties on imports of raw materials and components;
- Excise duty on certain raw materials and components;
- Central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

42. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and

policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

43. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.*

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE could adversely affect the trading price of the Equity Shares.

44. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

45. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

46. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and costs to doing business in India.

These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

47. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by 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 may be available. This could have an adverse effect on our

business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

48. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

49. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION IV – INTRODUCTION THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on January 25, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

The following is a summary of this Issue and should be read in conjunction with and is qualified in it's entirely by, the information detailed in ***“Terms of the Issue”*** on page 158 of this Draft Letter of Offer.

PARTICULARS	SCHEME DETAILS
Equity Shares proposed to be issued	Up to 1,16,29,244 Rights Equity Shares
Rights Entitlements	22 Rights Equity Shares for every 25 Equity Shares held on the Record Date.
Record Date	[●]
Face value per Equity Share	Rs. 10.00 per equity share
Issue Price per Rights Equity Share	Rs. 25.00 per equity share (including a premium of 15.00 per equity share)
Issue Size	Up to 1,16,29,244 equity shares of face value Rs. 10.00 each for cash at a price of Rs. 25.00 (including a premium of Rs. 15.00) per Rights Equity Share up to an amount of Rs. 29,07,31,100/-* *Assuming full subscription with respect to Rights Equity Shares
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid-up prior to the issue	1,32,15,050 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Equity Shares) and having made fully paid-up	2,48,44,294 Equity Shares of Rs. 10/- each
Use of Issue Proceeds	For details, see “Objects of the Issue” on page 42 of the Draft Letter of Offer
Terms of the Issue	For details, see “Terms of the Issue” on page 158 of the Draft Letter of Offer
Security Code #	ISIN: [INE191V01015]; BSE Script Code & Id: 540072 & SHIVAEXPO

#Our Company would obtain a separate ISIN for the Rights Equity Shares, as may be required under applicable law.

For details in relation fractional entitlements, see "Terms of the Issue-Fractional Entitlements" beginning on page 158 of this Draft Letter of Offer.

GENERAL INFORMATION

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Shiva Export Co.", pursuant to a deed of partnership dated July 16, 2007. The composition of the partnership firm was changed pursuant to supplementary agreement modifying the partnership deed dated October 11, 2008, April 1, 2015 and November 3, 2015. M/s Shiva Export Co. was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the and style of "Shiva Granito Export Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Jaipur, Rajasthan on December 31, 2015 bearing registration no. 048974 and Corporate Identification Number L14200RJ2015PLC048974. The partners of M/s. Shiva Export Co. were initial subscribers to Memorandum of Association of our Company. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled '**General Information**' beginning on page 36 of this Draft Letter of offer.

Registered Office:

CIN : L14200RJ2015PLC048974
Address : 8, Bhatt Ji Ki Baari, Udaipur – 313 001
Contact No. : +91 294 2418228
Email Id : shivaexport@gmail.com
Website : www.shivaexport.in
Contact Person : Ms. Swati Maheshwari , Company Secretary & Compliance Officer

Corporate Office - The Company does not have a separate corporate office. Hence, the registered office and corporate office is one and same.

Address of the ROC:

Our Company is registered with the Registrar of Companies, Rajasthan, which is situated at the following address:

Address : C/6-7, Residency Area Civil Lines 1st Floor, Ashok Nagar, Jaipur, Rajasthan – 302 001,
Tel No. : 0141-2981913
Email Id : roc.jaipur@mca.gov.in

Designated Stock Exchange:

BSE Limited located at P. J. Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

Change in Registered Office Address:

As on the date of filing this Draft Letter of Offer, Our Company's Registered Office is situated at 8, Bhatt Ji Ki Baari, Udaipur – 313 001.

There is no change in the address of the registered office of our Company since inception.

Our Board of directors:

The following table sets out details regarding our Board as on the date of this Draft Letter of offer:

Name and Designation	Age	DIN	PAN	Address
Mr. Abhinav Upadhyay, Managing Director	37	01858391	ABMPU3850H	8 Bhatt Ji Ki Badi, Udaipur - 313001 Rajasthan
Ms. Asha Upadhyay, Non - Executive Director	62	07396269	AABPU7440D	8, Bhatt Ji Ki Baari, Udaipur, 313001, Rajasthan
Ms. Rachna Upadhyaya, Non-Executive Director	31	07617468	ABZPU0865F	8, Bhatt Ji Ki Baari, Udaipur, 313001, Rajasthan
Mr. Vishal Jain Independent Director	30	08742529	ASBPJ4920D	2 Ka 18 Gayatri Nagar, Hiran Magri, Sector – 5, Udaipur, Rajasthan – 313 002
Ms. Chanchal Nuwal, Independent Director	30	08777592	DXVPK7953R	Sadar bajar, Arni, Chittorgarh, Rajasthan - 312203

MANAGING DIRECTOR:

Name : Mr. Abhinav Upadhyay
Address : 8, Bhatt Ji Ki Baari, Udaipur – 313 001, Rajasthan
Contact No. : +91 294 2418228
Email Id : shivaexport@gmail.com
Website : www.shivaexport.in

COMPANY SECRETARY & COMPLIANCE OFFICER:

Name : Ms. Swati Maheshwari
Address : 8, Bhatt Ji Ki Baari, Udaipur – 313 001, Rajasthan
Contact No. : +91 294 2418228
Email Id : shivaexport@gmail.com
Website : www.shivaexport.in

Investor Grievances

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / 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, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail id of the sole / first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non- ASBA process, see “Terms of the Issue” on page 158.

PEER REVIEW AND STATUTORY AUDITORS:

Name : M/s. Nenawati & Associates, Chartered Accountants
Address : 14-15, Brij Vihar Pulla, Udaipur – 313 001, Rajasthan
Tel No. : +91 9414166948, 294-2980948
Email Id : nenawati2011@gmail.com
Contact Person : CS Nenawati
Membership No. : 071341
Firm Registration No. : 02148C

Further, Peer Review Certificate Number 012465 issued by Peer Review Board of the Institute of Chartered Accountants of India shall remain valid till 30th September, 2024.

Registrar to the Issue and Company:

Name : Bigshare Services Private Limited
Address : Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra.
Contact No. : 022-62638200, 022-62638295, +91-7045454390
Email Id : Rightsissue@bigshareonline.com
Investor Grievance Email : Investor@bigshareonline.com
Contact Person : Mr. Vijay Surana
Website : www.bigshareonline.com
SEBI Registration No. : INR000001385

Bankers to the Company:

Name : [●]
Address : [●]
Tel No. : [●]
Email Id : [●]
Contact Person : [●]
Website : [●]

Banker to the Issue / Refund Bank

The Banker to the Issue / the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Self -Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the BSE Limited at www.bseindia.com respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at https://www1.nseindia.com/products/content/equities/ipos/asba_procedures.htm and <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

Collecting Depository Participants

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

Statement of inter se allocation of responsibilities for the Issue

The Company has not appointed any merchant banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required,) and hence there is no inter-se allocation of responsibilities.

Credit Rating

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustee

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

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

Expert Opinion

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the Draft Letter of Offer, our Company has not obtained any expert opinions.

Underwriting

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

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue closing date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue closing date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

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:

PARTICULARS	SCHEDULE
Last Date for Credit of Rights Entitlements	: [●]
Issue Opening Date	: [●]
Last Date for On Market Renunciation of Rights Entitlements [#]	: [●]
Issue Closing Date [*]	: [●]
Finalization of Basis of Allotment (on or about)	: [●]
Date of Allotment (on or about)	: [●]
Date of Credit (on or about)	: [●]
Date of Listing (on or about)	: [●]

[#] *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 but not exceeding 30 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.*

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 Applications are submitted on or before the Issue Closing Date.

Our Company or the Registrar to the Issue will not be liable for any loss on account of non - submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see **“Terms of the Issue”** beginning on page 158.

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 amount 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.

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 [●] after keying in their respective details along with other security control measures implemented there at. For further details, see “Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 158.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

(Amount in Lakhs)		
Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
Authorized Share Capital*		
2,50,00,000 Equity Shares of Rs. 10/- each	2500.00	-
Issued, Subscribed and Paid-up Share Capital before the Issue		
1,32,15,050 Equity Shares of Rs. 10/- each	1,321.505	-
Present issue in terms of this Draft Letter of Offer		
1,16,29,244 Equity Shares of face value Rs. 10/- each for Cash price of Rs. 25/- per Share including premium of Rs. 15/- per share	1,162.9244	2,907.311
Issued, Subscribed and Paid-up Share Capital after the Issue		
2,48,44,294 Equity Shares of Rs. 10/- each	2,484.4294	
Securities Premium Account		
Before the issue	224.00	
After the issue	1968.39	

* The Authorised Share Capital shall be Rs. 25 Cr. instead of Rs. 14 Cr. subject to approval by shareholders in the EGM to be held on 27th January, 2023

Notes to Capital Structure

- There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.
- Intention and extent of participation by our Promoters and Promoter Group**

The Promoters vide their letter dated January 25, 2023 have undertaken to fully subscribe for their Rights Entitlement in the Issue subject to availability of funds with the Promoters and Promoters Group. The Promoters reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. Allotment to the Promoters of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements. In the event of renouncement by any promoter and / or member of the promoter group of the Issuer Company, other than renunciation within the promoters / promoter group, the promoters and the promoter group shall not be eligible for exemption available under Regulation 10(4)(b) of the SEBI SAST Regulations, 2011. Further, in case of under subscription of part of issue, the Promoter and Promoter group shall subscribe over and above the right entitlement in the offer document.

In case of right issue undersubscribed after public and promoters subscription, the board of director may allow to subscribe option of unsubscribed right entitlement as per Section 61(1)(a) of the Companies Act, 2013.

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.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10 (4) (b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

- The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. [●].

- At any given time, there shall be only one denomination of the Equity Shares of our Company.
- Except as disclosed in this Draft Letter of Offer, all Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares to be allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of Issue, please see section titled “Terms of the Issue” beginning on page 158.
- **Shareholding pattern of our Company as per the last half yearly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations**
- The shareholding pattern of our Company as on September 30, 2022, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/shiva-granito-export-ltd/shivaexpo/540072/shareholding-pattern/>

SECTION – V
PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

1. To meet Working Capital requirement of the Company; and
2. General corporate purposes

(Collectively, referred to herein as the “Objects”).

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Utilization of Issue Proceeds

The details of the Issue Proceeds are set out below:

Particulars	Amount (Rs. in lakhs)
Gross proceeds of the issue	2907.31
Less: Issue related expenses	50.00
Net Proceeds*	2,857.31

** Assuming full subscription*

Requirement of Funds

Particulars	Amount (in lakhs)
To meet Working Capital requirement of the Company*	2310.50
General Corporate Purposes	546.81
Issue related expenses	50.00
Total	2907.31

** Utilization of Funds by way of Working Capital will also be used for single business segment i.e. Manufacturing of Quartz Powder, Resin & Slabs.*

Utilization of Net Proceeds

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

Particulars	(Rs. in lakhs) Amount
To meet Working Capital requirement of the Company	2310.50
General Corporate Purposes*	546.81
Total*	2857.31

*Please note that any portion of the Net Proceeds not deployed for the stated Objects in a particular Financial Year will be deployed by our Company in next Financial Year and/ or ahead of the estimated schedule of deployment. *Assuming full subscription. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Means of Finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

Schedule of Implementation and Deployment of Gross Proceeds

Objects of the Issue	Amount Proposed to be Funded from Net Proceeds at Application (Post adjustment of estimated issue expenses)	(Rs. In Lakhs)	
		Proposed Schedule for Deployment of the Net Proceeds at Application*	
		For FY 2023-24 (1)	For FY 2024-25 (2)
To meet Working Capital requirement of the Company	2310.50	2310.50	-
General corporate purposes **	546.81	546.81	-
Issue expenses	50.00	50.00	-
Total ***	2907.31	2907.31	-

*Any portion of the Net Proceeds not deployed for the stated Objects in a particular Financial Year will be deployed by our Company in next Financial Year and/ or ahead of the estimated schedule of deployment.

** Subject to the finalization of the Basis of Allotment and the Allotment. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.

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

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 21 of this Draft Letter of offer.

Details of utilization of Net Proceeds

1. To meet short-term working capital requirement

Our business is working capital intensive. We finance our short-term working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company. We intend to meet our short-term working capital requirements to the extent of Rs. 2310.50 Lakhs from the Net Proceeds of this proposed right and the balance will be met from internal accruals and/or borrowings at an appropriate time as per the requirement.

The requirement of short-term working capital is Rs. 2310.50 Lakhs which shall be obtained from the proceeds of Right Issue. The requirement of short-term working capital is to meet various expenditure for the increase in sale of the Company.

Details of Estimation of Working Capital requirement is as under:

Particulars	Projected amount (in lakhs)
(A) Current Assets	
Inventories	1578.77
Trade Receivables	1799.79
Short term loans and advances	112.46
Other current assets	40.77
Total Current Assets (A)	3531.80
(B) Current Liabilities	
Trade Payables	543.10
Other current liabilities and short term provisions	91.65
Total Current Liabilities (B)	634.75
Working Capital requirement (A-B)	2897.05
Funding Pattern	
Working capital facilities from Bank and Director	500.00
Owned funds and internal accruals	86.55
Rights Issue	2310.50

- Reason for raising working capital along with facts and figures:

In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We have raise our working capital for increase in sales of our company. If increase in our sales then various expenditure have to bear.

2. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. 546.81 Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

3. Issue Related Expenses

The expenses for this Issue include issue management fees, registrar fees, legal advisor fees, monitoring agency fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. **50.00** Lakhs.

Particulars	Estimates expenses (Rs. In Lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size * #
Fees of, Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's Fees, etc. including out of pocket expenses	[●]	[●]	[●]
Advertising, printing, distribution, etc.	[●]	[●]	[●]
Particulars	Estimates expenses (Rs. In Lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size * #
Marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses *^	[●]	[●]	[●]

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.*

^Excluding taxes

#Assuming full subscription

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Monitoring of Utilization of Funds

As the issue size is below Rs. 100 Crores, no monitoring agency has been appointed.

Appraising Agency

None of the objects for which the Net proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

Strategic or Financial Partners

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

Key Industry Regulations for the Objects of the Issue

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

Other Confirmations

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.

STATEMENT OF TAX BENEFITS

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

To,
Board of Directors
Shiva Granito Export Limited
8, Bhatt Ji Ki Baari,
Udaipur – 313 001

Dear Sirs,

Re: Statement of Special Possible Tax Benefits available to Shiva Granito Export Limited and its shareholders.

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and in direct tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2021 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed Annexures are not exhaustive. 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 Offer. We are not suggesting or advising the investor to invest in the Offer, based on this statement.

We do not express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed 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.

Yours faithfully,

For, Nenawati & Associates,
Chartered Accountants

CS Nenawati
Partner
FRN: 02148C
Membership No.: 071341
UDIN: 23071341BGWYEV2280

Place: Udaipur
Date: 25th January, 2023

ANNEXURE 1
STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHIVA GRANITO EXPORT LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS

I. UNDER THE INCOME – TAX ACT, 1961 (hereinafter referred to as the ‘Act’)

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.
- d) This statement is intended only 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 tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her investment in the shares of the Company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2
STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SHIVA GRANITO EXPORT LIMITED
(THE“COMPANY”) AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)

1. Special indirect tax benefits available to the Company under the Act

There are no special indirect tax benefits available to the Company.

2. Special indirect tax benefits available to the shareholders under the Act

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

- a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c) This statement is intended only 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 tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her investment in the shares of the Company.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION VI - ABOUT THE COMPANY

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Letter of Offer, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 104 respectively of this Draft Letter of Offer before deciding to invest in our Equity Shares.

INTRODUCTION: ENGINEERED QUARTZ STONE

Natural stones, especially granite, have been used for flooring and countertop material in high end homes for its beauty and elegance. However, even though it is very durable, scratch and heat resistant, it has other inherent less desirable characteristics. They are naturally porous and are prone to staining by oils, acids and some cleaning products, especially if they are not properly sealed or resealed periodically. It also contains tiny pits and natural fissures that may appear to be cracks, although these are inherent features. Besides, they are subject to tone variation and it is not easy to achieve smooth transition in the range of shades when it is used in large areas. An alternative to natural stone is engineered quartz stone which is also durable but without the less desirable characteristics of natural stone.

Quartz - Quartz is a naturally occurring silicate mineral composed of silicon dioxide (SiO₂). It is one of the most common and available minerals on the earth's surface. It ranks 7.0 on MOH (Measurement of Hardness) scale, behind topaz (8.0), sapphire (9.0) and diamond (10.0). Granite is ranked 6 on the scale.

Engineered Quartz Stone - Quartz exists naturally in clusters and does not form huge stone blocks like granite (which contains 40% - 60% quartz), limestone or other types of rock. This makes it unsuitable for use in its natural state in countertops or other large slab applications. This means that it needs to be converted into another form i.e. engineered stone, to make it usable in such applications.

Engineered quartz stone (also known as reconstituted or re-composed stone) is manufactured from a mix of quartz aggregate chips, a resin binder (typically unsaturated polyester), pigments and additives. Engineered stone slabs and counter tops are available in a wide range of colours, patterns, and even textures. Its texture can be fine or coarse, depending on how it is processed, and can be combined with glass and other reflective materials for a sparkling finish. They are increasingly popular in high-end applications combining the benefits of granite's durability and non-porous nature of quartz.

(Source: *Engineered Quartz Stone; Kuter – Industrial Investment Business Development* www.kuterinvestment.com)

TECHNICAL CHARACTERISTICS OF ENGINEERED QUARTZ STONE VS AGGLOMERATED MARBLE

S NO	CHARACTERISTIC	ENGINEERED QUARTZ	AGGLOMERATED MARBLE
1	Density	2.4 to 2.5 g/cm ³	2.4 to 2.5 g/cm ³
2	Water Absorption	0.01 to ~0.2%	< 0.20 %
3	Modulus of Rupture	41-58 Mpa	20-35 Mpa
4	Compressive Strength	150-240 Mpa	110-150 Mpa
5	Abrasion Resistance	58-63 (Index)	20-32 (Index)
6	Hardness	6-7 Mohs	3-4 Mohs
7	Acid Resistance	Yes (certain extent)	No

(Source: *Engineered Quartz Stone 2 - Building and Construction Authority* www.bca.gov.sg)

INTRODUCTION

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies. The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF in its October 2022 update of the World Economic Outlook. The frailties of the Chinese economy further contributed to weakening the growth forecasts. Slowing global growth apart from monetary tightening may also lead to a financial contagion emanating from the advanced economies where the debt of the non-financial sector has risen the most since the global financial crisis. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed.

The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year. Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate. A much-improved financial health of well-capitalised public sector banks has positioned them better to increase the credit supply. Consequently, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. The increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Still, private capex soon needs to take up the leadership role to put job creation on a fast track. Recovery of MSMEs is proceeding apace, as is evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) is easing their debt servicing concerns. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food

security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP)¹.

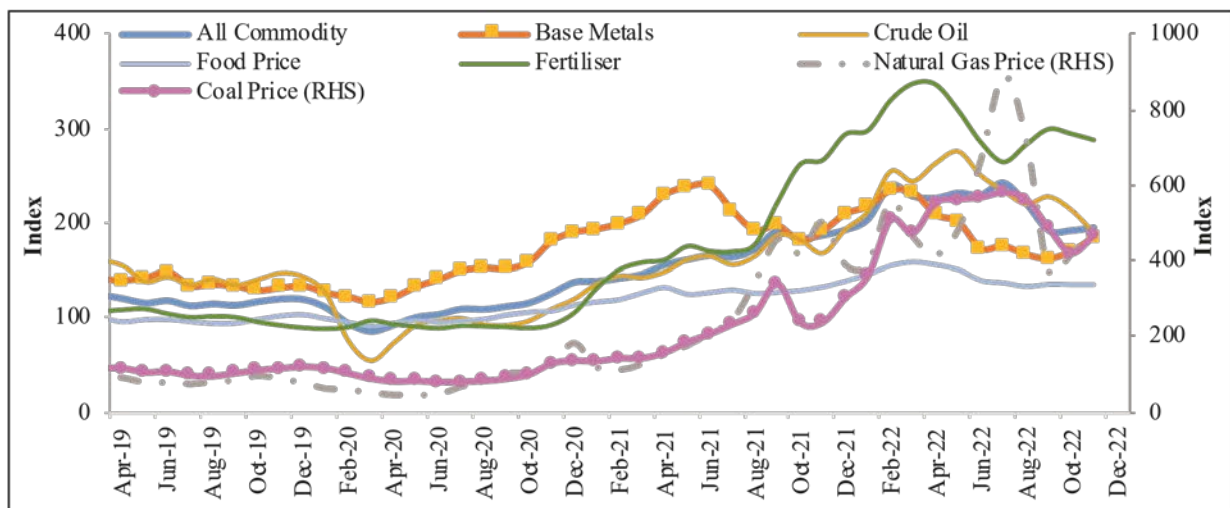
The results of the National Family Health Survey (NFHS) also show improvement in rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment. Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand and, to a lesser extent, by exports. The CAD needs to be closely monitored as the growth momentum of the current year spills over into the next. Growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM Gati Shakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

GLOBAL ECONOMIC OVERVIEW

In the last century, several events can be recollected that have had an adverse impact on the global economy. The two world wars are still vivid in public memory, along with the Spanish flu and the great depression. Regional conflicts have been several, as also intermittent oil shocks. The previous millennium closed with the East Asian crisis, and the new millennium in its first decade opened with the technology bust, followed several years later by the global financial crisis. The second decade, apart from minor episodes of the taper tantrum and growing trade tensions between the super-powers, had gone relatively incident-free globally, although Europe had its moments of stress during the decade. Before the third decade of the new millennium commenced, incidents of global economic turbulence were generally spaced out, allowing economies breathing time to recover before preparing for the next challenge.

The Covid-19 pandemic ('pandemic' hereinafter) notified by the WHO in January 2020 was the first challenge of the third decade that hit global growth. Two years later, as the global economy was recovering from the pandemic-induced output contraction, the Russia-Ukraine conflict broke out in February 2022, triggering a swing in commodity prices and, thus, accelerating existing inflationary pressures. This posed the second challenge. Soon after, the third challenge emerged when nations undertook monetary tightening to rein in inflation causing growth to weaken. Monetary tightening also drove capital flows to safe-haven US markets, contributed to rising sovereign bond yields, and depreciation of most currencies against the US dollar. The consequent increase in borrowing costs also stressed high levels of public and private debt, threatening the financial system. Faced with the prospects of global stagflation, nations, feeling compelled to protect their respective economic space, slowed cross-border trade, which posed the fourth challenge to growth. All along, the fifth challenge was festering as China experienced a considerable slowdown induced by its policies. The sixth medium-term challenge to growth was seen in the scarring from the pandemic brought in by the loss of education and income earning opportunities. A simultaneous occurrence of several challenges to growth is perhaps unprecedented. Like the rest of the world, India, too, faced this extraordinary set of challenges but withstood them better than most economies.

Global economic recovery was well on track until the Russia-Ukraine conflict broke out in February 2022. The conflict has now continued for almost a year, disrupting the restoration of the supply chains disrupted earlier by lockdowns and limited trade traffic. In the last eleven months, the world economy has faced almost as many disruptions as caused by the pandemic in two years. The conflict caused the prices of critical commodities such as crude oil, natural gas, fertilisers, and wheat to soar. This strengthened the inflationary pressures that the global economic recovery had triggered, backed by massive fiscal stimuli and ultra-accommodative monetary policies undertaken to limit the output contraction in 2020. Inflation in Advanced Economies (AEs), which accounted for most of the global fiscal expansion and monetary easing, breached historical highs. Rising commodity prices also led to higher inflation in the Emerging Market Economies (EMEs), which otherwise were in the lower inflation zone by virtue of their governments undertaking a calibrated fiscal stimulus to address output contraction in 2020.

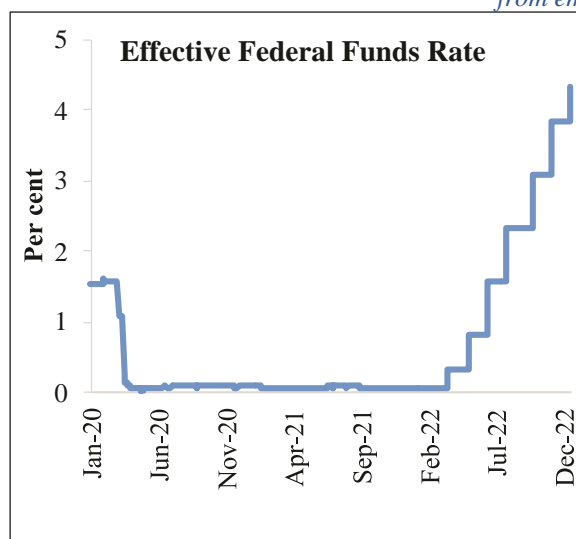


Source: IMF

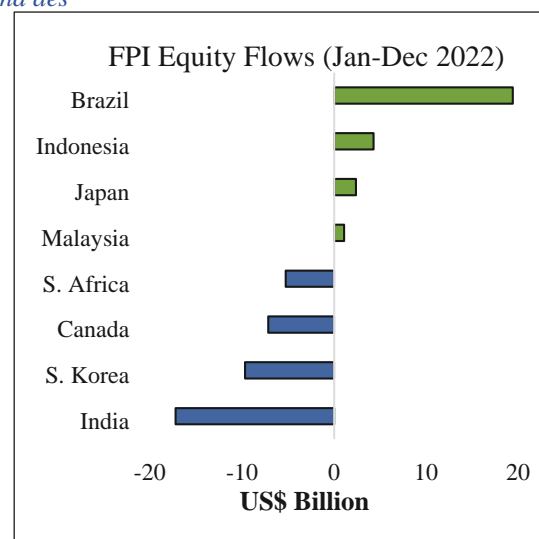
Central banks, which were slow to react to price pressures building up during the nascent recovery from the pandemic, regarded them as transient only to realise, belatedly, the necessity and the inevitability of a strong monetary policy response. Led by the US Federal Reserve, central banks have been hiking policy rates and rolling back liquidity to rein in inflation synchronously. The pace of this tightening cycle has been rapid – the Federal Reserve’s pace of rate hikes is the quickest since the inflationary episode of the 1970s, with the central bank having raised interest rates by 425 basis points since March 2022. As the impact of monetary policy actions is felt with a lag, inflation rates remained stubbornly high during the early phase of the rate hike cycle but have begun to decline lately. At the same time, synchronised rate hikes by the central banks have not tightened financial conditions sufficiently enough for central banks to end their tightening campaign.

Inflation and monetary tightening led to a hardening of bond yields across economies and resulted in an outflow of equity capital from most of the economies around the world into the traditionally safe-haven market of the US. Unlike the past when the capital flight was more out of the EMEs given their relatively greater vulnerabilities, or the perception thereof, this time around, capital has also flown out from the advanced economies. The capital flight subsequently led to the strengthening of the US Dollar against other currencies – the US Dollar index strengthened by 16.1 per cent between January and September 2022. The consequent depreciation of other currencies has been widening the CAD and increasing inflationary pressures in the net importing economies.

The federal funds Rate was raised by a cumulative 425 basis points since Jan 2022 leading to capital flight from emes and aes



Source: Federal Reserve



Source: Bloomberg

1.6 Rising inflation and monetary tightening led to a slowdown in global output beginning in the second half of 2022. The global PMI composite index has been in the contractionary zone since August 2022, while the yearly growth rates of global trade, retail sales, and industrial production have significantly declined in the second half of 2022. The consequent dampening of the global economic outlook, also compounded by expectations of a further increase in borrowing costs, was reflected in the lowering of growth forecasts by the IMF in its October 2022 update of the World Economic Outlook (WEO).

Global economic challenges led to a downward revision in growth forecast across countries

	Growth projections (per cent)		change from Weo Update (July 2022) (per cent)	
	2022	2023	2022	2023
World	3.2	2.7	0	-0.2
advanced economies	2.4	1.1	-0.1	-0.3
United States	1.6	1	-0.7	0
euro area	3.1	0.5	0.5	-0.7
UK	3.6	0.3	0.4	-0.2
Japan	1.7	1.6	0	-0.1
emerging market economies	3.7	3.7	0.1	-0.2
china	3.2	4.4	-0.1	-0.2
India*	6.8	6.1	-0.6	0

Source: IMF

Note: *Projection for India is for its fiscal year (Apr-Mar), while for the other economies, it is from Jan-Dec.

Compounding the bleak global growth outlook have been the slowdown in economic activity in China caused by the government's zero Covid policy, a contracting real estate sector, and a tepid fiscal expansion. However, China has ended or relaxed most of its restrictive policies relating to Covid. It is possible that economic activity picks up in China sooner than expected. But it is too soon to tell.

Further tightening of monetary policy may aggravate fragilities built up in the financial system over the years, such as private and government debt structures, the effects of which could trigger financial contagion. Non-financial sector debt of most economies has increased considerably as a percentage of GDP since Q1 of 2008 when the global financial crisis struck. India is, however, one of the few countries whose debt burden has declined over this period, mainly because of the country's banking sector balance sheet clean-up and the corporate sector's deleveraging exercise undertaken during the last decade. Yet, an increase in the general government debt burden in India has attracted much attention, even as systemic risks of a financial breakdown are concentrated in other parts of the world.

Core Debt of most major economies except India is higher as compared to 2008								
Core debt of the non-financial sector					Change since Q2 2008			
(Q2 2022, % of GDP)								
Debt/GDP (Avg %)	household	Pvt Non- Financial	Government	Total	Household	Pvt Non- Financial	Government	Total
Global Avg	62	160	88	248	-4	15	27	38
Australia	117	181	52	232	7	-9	42	33
Brazil	35	88	91	179	17	-36	28	66
Mainland China	62	220	74	295	43	107	47	155

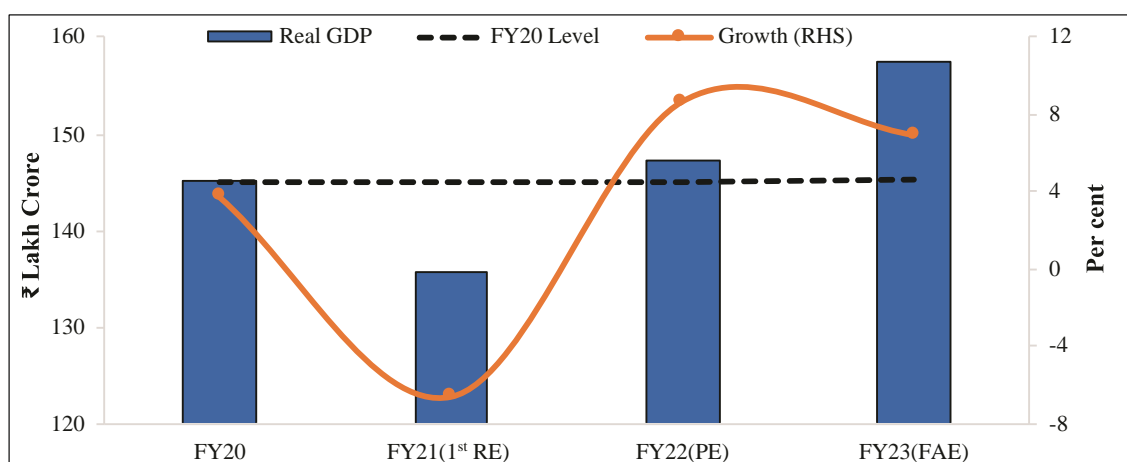
France	67	231	114	345	19	71	47	118
Germany	56	128	67	195	-4	0.4	2	3
India	36	88	82	170	-7	-17	16	-7
Italy	43	113	151	264	4	-4	47	43
Japan	69	187	238	426	9	29	94	122
South Korea	106	222	45	268	35	61	23	84
Mexico	16	40	41	81	3	12	20	33
South Africa	35	67	71	138	-9	-13	45	32
Spain	57	155	118	273	-26	-56	82	26
UK	84	150	107	257	-11	-28	62	34
US	76	155	108	264	-22	-15	48	33

Source: BIS (based on information from their 5th December 2022 update of 'Credit to the non-financial sector')

In the developed world, inflationary pressures are abating but they are still on the higher side historically and relative to the inflation targets that many countries have adopted. Major central banks have reduced the pace of interest rate hikes in their latest rounds of monetary policy reviews to assess the impact thus far. Still, they have reiterated that terminal policy rates will be significantly higher than market expectations. Strong employment data and sharply lower headline inflation for December have raised hopes of the US economy achieving a softer landing. Similarly, in Europe, warmer winter weather has neutralised the risk of a near-term energy crisis. Lately, however, banks have reported much weaker earnings growth, and technology companies have begun to announce layoffs in America. Therefore, on balance, downside risk to the global economic outlook dominates.

The impact of the pandemic on India was seen in a significant GDP contraction in FY21. The following year, FY22, the Indian economy started to recover despite the Omicron wave of January 2022. This third wave did not affect economic activity in India as much as the previous waves of the pandemic did since its outbreak in January 2020. Mobility enabled by localised lockdowns, rapid vaccination coverage, mild symptoms and quick recovery from the virus contributed to minimising the loss of economic output in the January-March quarter of 2022. Consequently, output in FY22 went past its pre-pandemic level in FY20, with the Indian economy staging a full recovery ahead of many nations. The experience with the Omicron variant engendered a cautious optimism that it was possible to stay physically mobile and engage in economic activities despite the pandemic. FY23 thus opened with a firm belief that the pandemic was rapidly on the wane and that India was poised to grow at a fast pace and quickly ascend to the pre-pandemic growth path.

Economic growth remains resilient



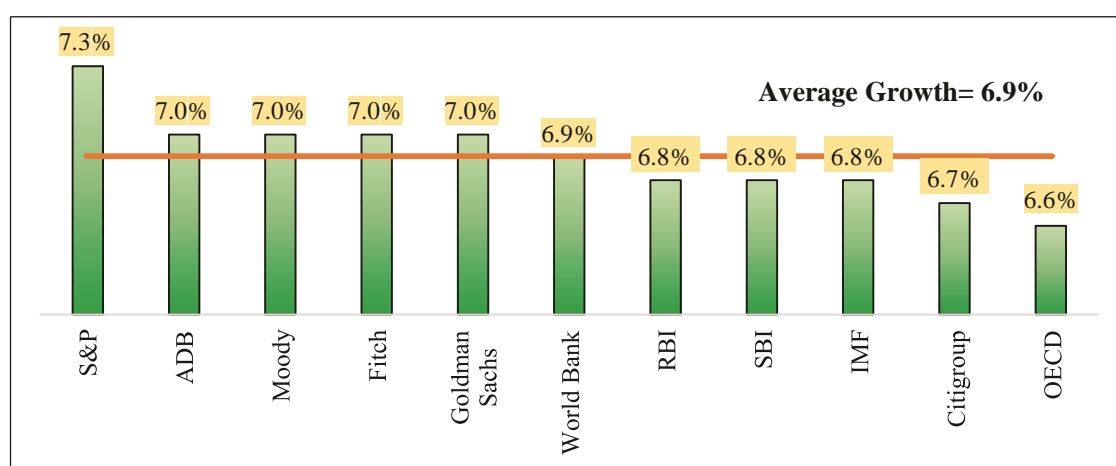
With monetary tightening, the US dollar has appreciated against several currencies, including the rupee. However, the rupee has been one of the better-performing currencies worldwide, but the modest depreciation it underwent may have added to the domestic inflationary pressures besides widening the CAD. Global commodity prices may have eased but are still higher compared to pre-conflict levels. They have further

widened the CAD, already enlarged by India's growth momentum. For FY23, India has sufficient forex reserves to finance the CAD and intervene in the forex market to manage volatility in the Indian rupee.

For many countries around the world, including India, 2021 was a period of recovery for health and economies from the impact of the pandemic. For the advanced economies, in particular, the enormous fiscal stimulus earlier injected by their governments supported a strong demand revival. Growth in world trade subsequently followed, of which India was also a beneficiary. India's exports surged in FY22, and the momentum lasted up to the first half of FY23. Export growth was strong enough to increase India's share in the world market of merchandise exports. However, due to aggressive and synchronised monetary tightening, global economic growth has started to slow, and so has world trade. As per United Nations Conference on Trade and Development (UNCTAD) latest global trade update, global trade growth turned negative during the H2:2022, and geopolitical frictions, persisting inflationary pressures, and subdued demand are expected to suppress global trade further in 2023. This is likely to affect many countries, including India, with the prospects of sluggish exports continuing into FY24, compared to the promise shown at the beginning of the current year.

Monetary tightening by the RBI, the widening of the CAD, and the plateauing growth of exports have essentially been the outcome of geopolitical strife in Europe. As these developments posed downside risks to the growth of the Indian economy in FY23, many agencies worldwide have been revising their growth forecast of the Indian economy downwards. These forecasts, including the advance estimates released by the NSO, now broadly lie in the range of 6.5-7.0 per cent. Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic. IMF estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India's underlying economic resilience; of its ability to recoup, renew and re-energise the growth drivers of the economy.

Figure I.17: India growth projections by various agencies for fy23



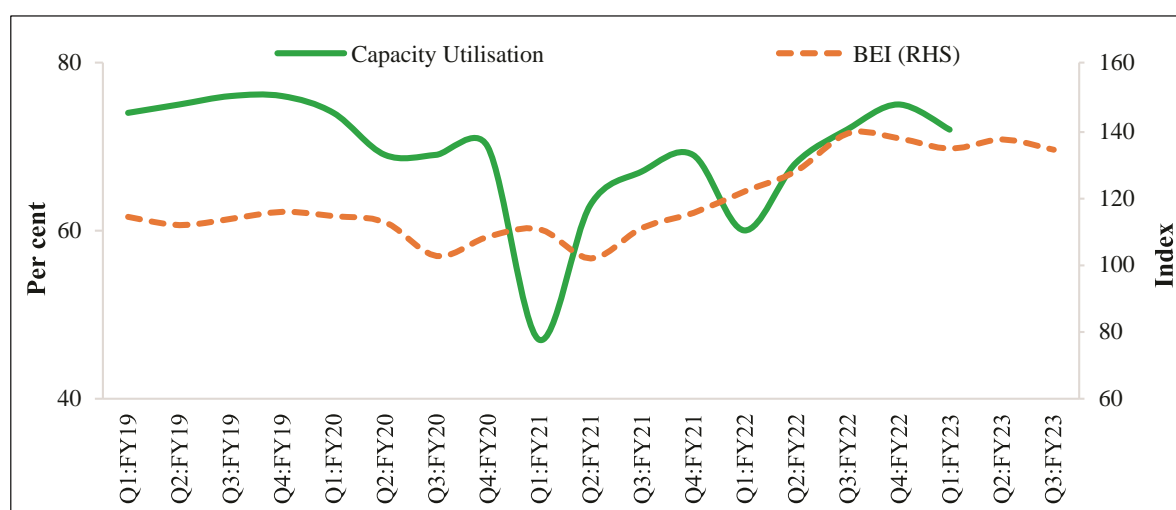
Source: Various Agencies

Note: ADB stands for Asian Development Bank, IMF is International Monetary Fund

India's economic resilience can be seen in the domestic stimulus to growth seamlessly replacing the external stimuli. The growth of exports may have moderated in the second half of FY23. However, their surge in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode. Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India's economy. Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY23 compared to the previous quarter.

Although domestic consumption rebounded in many economies, the rebound in India was impressive for its scale. It contributed to a rise in domestic capacity utilisation. Domestic private consumption remains buoyant in November 2022, as indicated by Motilal Oswal's Economic Activity Index. The index estimates that private consumption grew at a five-month high pace of 5.6 per cent YoY, driven by auto sales and broad-based expansion of services.¹

Enhanced capacity utilisation and business sentiments



Source: RBI

Note: BEI – Business Expectations Index

The near-universal coverage of vaccination in India overseen by the government was the single most important reason that brought people out to the streets to re-experience the “bazaar” as the marketplace was rapidly populated with service providers returning to resume business. The contact-based service providers like restaurants, hotels, shopping malls, cinemas, and tourist destinations, among others, soon ran up a thriving business and have significantly contributed to keeping up the consumer sentiments, as captured in repeated surveys. If, on the one hand, the universal vaccination coverage saved lives, on the other, it served as a health stimulant to raise consumer sentiments and thus the recovery and growth of the economy.

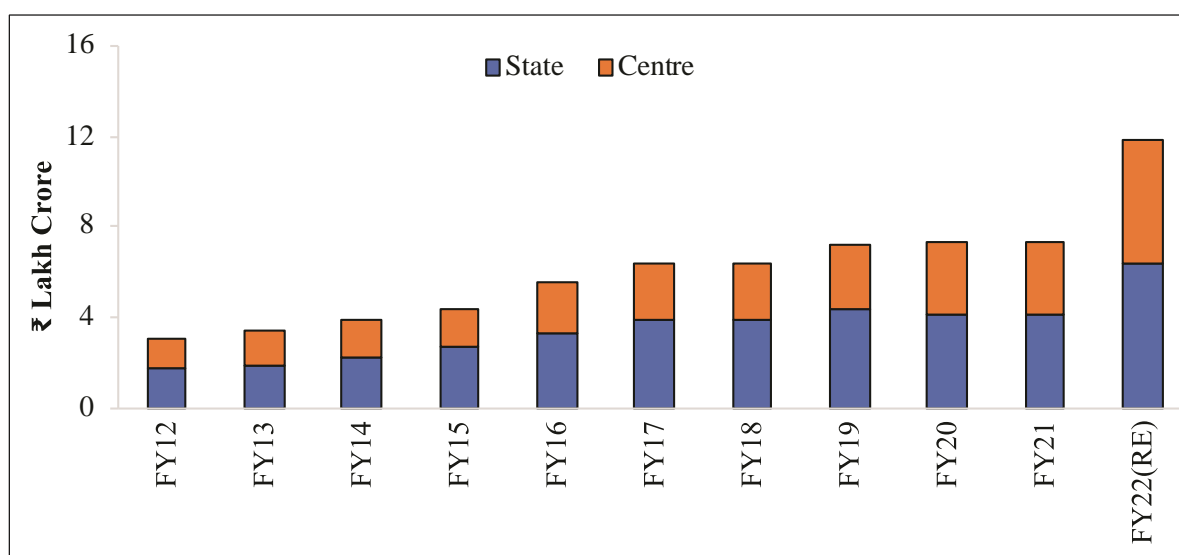
The rebound in consumption has also been supported by the release of “pent-up” demand, a phenomenon not again unique to India but nonetheless exhibiting a local phenomenon influenced by a rise in the share of consumption in disposable income. Since the share of consumption in disposable income is high in India, a pandemic-induced suppression of consumption built up that much greater recoil force. Hence, the consumption rebound may have lasting power. Accelerating growth in personal loans in India testifies to an enduring release of “pent-up” demand for consumption. RBI’s most recent survey³ of consumer confidence released in December 2022 pointed to improving sentiment with respect to current and prospective employment and income conditions.

The “release of pent-up demand” was reflected in the housing market too. Demand for housing loans picked up. Consequently, housing inventories have declined, prices are firming up, and construction of new dwellings is picking up pace. This has stimulated innumerable backward and forward linkages that the construction sector is known to carry. The universalisation of vaccination coverage also has a significant role in lifting the housing market as, in its absence, the migrant workforce could not have returned to construct new dwellings.

Apart from housing, construction activity, in general, has significantly risen in FY23 as the much-enlarged capital budget (Capex) of the central government and its public sector enterprises is rapidly being deployed. Going by the Capex multiplier estimated for the country, the economic output of the country is set to increase by at least four times the amount of Capex.^{2,3} States, in aggregate, are also performing well with their Capex plans. Like the central government, states also have a larger capital budget supported by the centre’s grant-in-aid for capital works and an interest-free loan repayable over 50 years. **Figure I.21: total capital expenditure grew at an average rate of 13.0% during fy12 and fy22**

² <https://rbi.org.in/scripts/PublicationsView.aspx?Id=15369>

³ https://www.nipfp.org.in/media/medialibrary/2014/02/WP_2013_125.pdf



Source: Union Budget, States Budgets, RBI

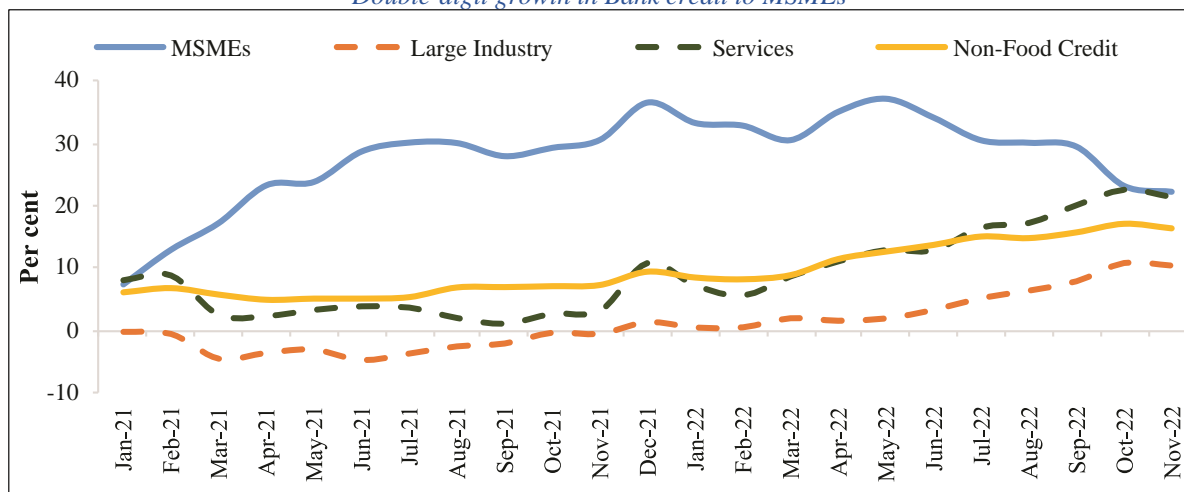
A capex thrust in the last two budgets of the Government of India was not an isolated initiative meant only to address the infrastructure gaps in the country. It was part of a strategic package aimed at crowding-in private investment into an economic landscape broadened by the vacation of non-strategic PSEs (disinvestment) and idling public sector assets. Three developments support this⁴. First, the significant increase in the Capex budget in FY23, as well as its high rate of spending. Second, direct tax revenue collections have been highly buoyant, and so have GST collections, which should ensure the full expending of the Capex budget within the budgeted fiscal deficit. The growth in revenue expenditure has also been limited to pave the way for higher growth in Capex. Third, the pick-up in private sector investment since the January-March quarter of 2022. Evidence shows an increasing trend in announced projects and capex spending by the private players. Surveys of leading industry CEOs also reveal their plans and commitment to increasing Capex.

While an increase in export demand, rebound in consumption, and public capex have contributed to a recovery in the investment/manufacturing activities of the corporates, their stronger balance sheets have also played a big part equal measure to realising their spending plans. As per the data on non-financial debt from the Bank for International Settlements, in the course of the last decade, Indian non-financial private sector debt and non-financial corporate debt as a share of GDP declined by nearly thirty percentage points. This limited the increase in interest costs, which, together with possible savings on overheads during lockdowns, contributed to the recent fortification of corporate balance sheets by higher profits. In FY22, the surge in exports also contributed to increasing profits in the corporate world. After-tax profits were also boosted by the lower taxes announced in 2019. Better profitability helped corporates pay down debt. Consequently, not only do corporates have more scope to borrow now, but their improved financial health has also reassured their prospective lenders to expand their credit portfolios. As per Axis Bank Business and Economic Research, Capex by the Corporate sector increased to ₹3.3 lakh crore in H1 of FY23, driven by heavy investments in electricity, steel, chemicals, auto and pharmaceuticals sectors.

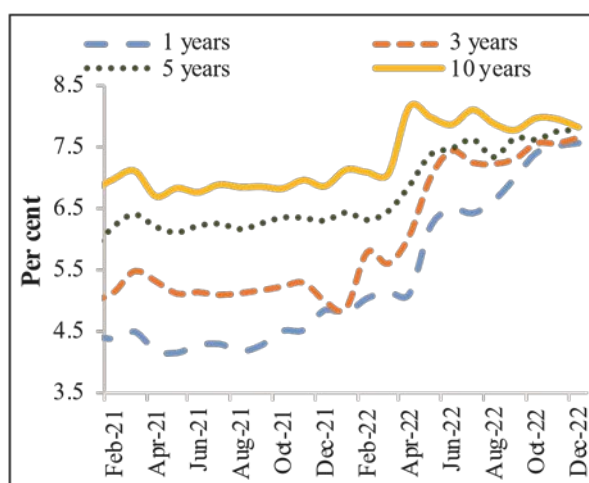
The banking sector in India has responded in equal measure to the demand for credit. The Year-on-Year growth in credit since the January-March quarter of 2022 has moved into double-digits and is rising across most sectors. The credit growth to the MSME sector has been remarkably high, over 30.5 per cent, on average, during Jan-Nov 2022, supported by the extended ECLGS of the central government. The aggressive supply of credit by the banking sector has as much been triggered by their improved financial health as that of the corporates. The finances of the public sector banks have seen a significant turnaround, with profits being booked at regular intervals and their Non-Performing Assets (NPAs) being fast-tracked for quicker resolution/liquidation by the Insolvency and Bankruptcy Board of India (IBBI). At the same time, the government has been providing adequate budgetary support for keeping the PSBs well-capitalized, ensuring that their Capital Risk-Weighted Adjusted Ratio (CRAR) remains comfortably above the threshold levels of adequacy. The successful macro stress tests performed on the banking sector further testify to its financial strength. It does help that the banking sector has negligible cross-border claims in times when currency risk is high. Nonetheless, financial strength has helped banks make up for lower debt financing provided by corporate bonds and External Commercial Borrowings (ECBs) so far in FY23. Rising yields on corporate bonds and higher interest/hedging costs on ECBs have made these instruments less attractive than the previous year.

⁴ <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Crowding-Out-or-Crowding-In-Public-and-Private-Investment-in-India-43470>

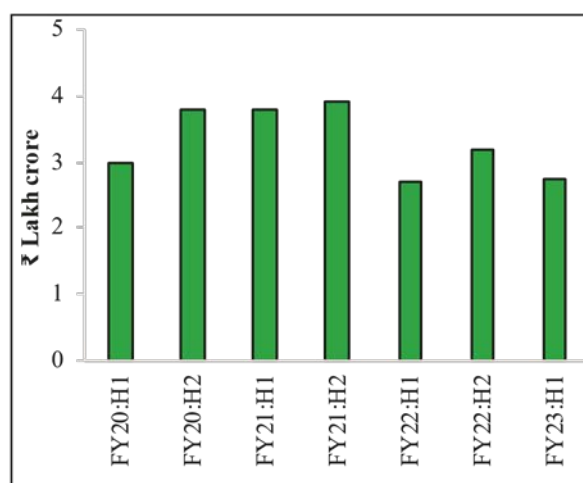
Double-digit growth in Bank credit to MSMEs



Source: RBI

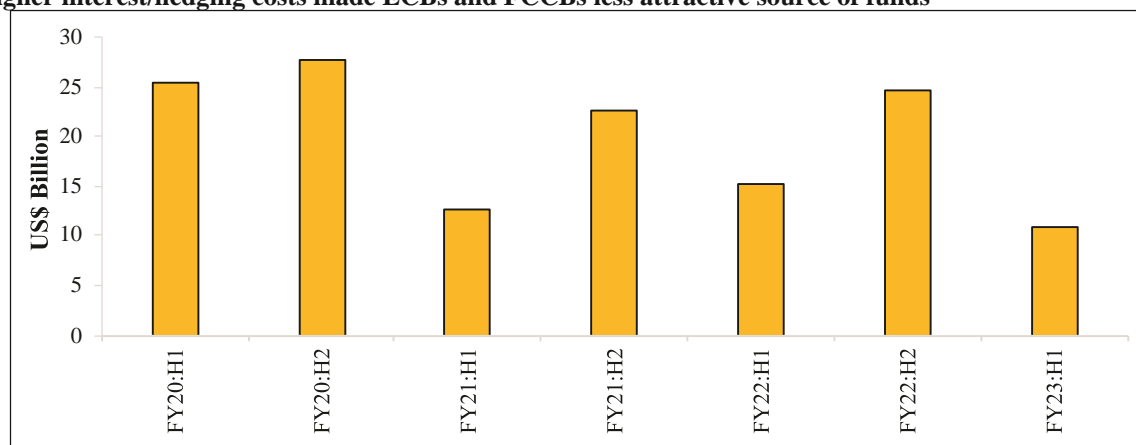


Source: Bloomberg



Source: SEBI

Higher interest/hedging costs made ECBs and FCCBs less attractive source of funds



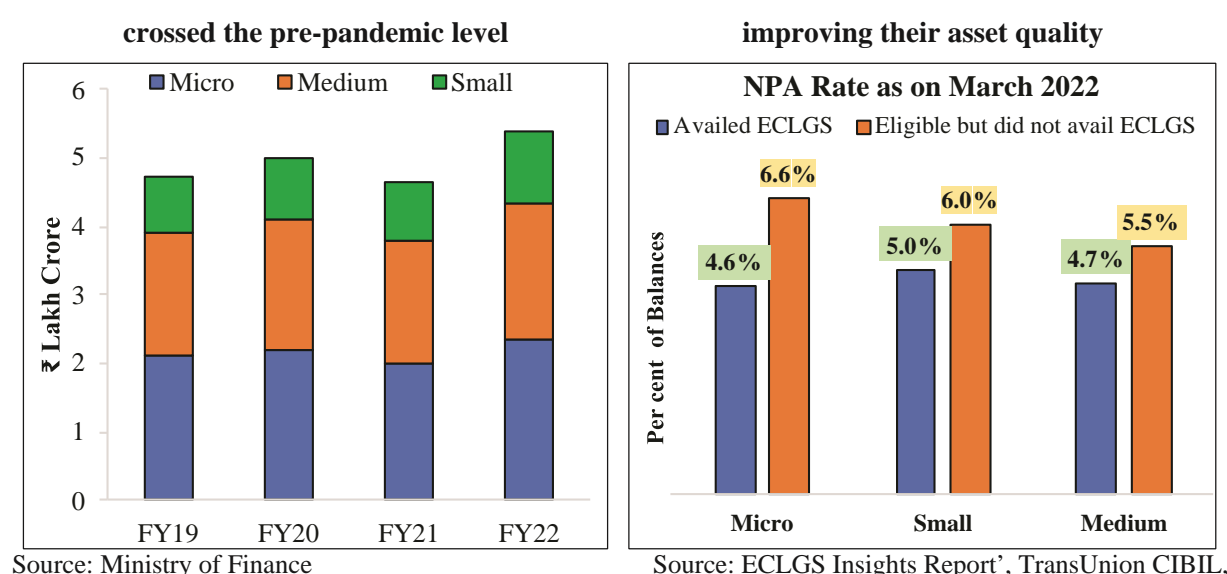
Source: RBI

RBI has projected headline inflation at 6.8 per cent in FY23, which is outside its target range. At the same time, it is not high enough to deter private consumption and also not so low as to weaken the inducement to invest. Moderately high inflation has further ensured the anchoring of inflationary expectations preventing prices from weakening demand and growth in India. Additionally, with inflation on the declining path, the interest cost of domestic credit will likely decline, inducing a further increase in demand for credit by corporates and retail borrowers.

Growth is inclusive when it creates jobs. Both official and unofficial sources confirm that employment levels have risen in the current financial year. The Periodic Labour Force Survey (PLFS) shows that the urban unemployment rate for people aged 15 years and above declined from 9.8 per cent in the quarter ending

September 2021 to 7.2 per cent one year later (quarter ending September 2022). This is accompanied by an improvement in the labour force participation rate (LFPR) as well, confirming the emergence of the economy out of the pandemic induced slowdown early in FY23. Job creation appears to have moved into a higher orbit with the initial surge in exports, a strong release of the “pent-up” demand, and a swift rollout of the capex. Since export growth is plateauing and the “pent-up” release of demand will have a finite life, it is essential that capex continues to grow to facilitate employment in the economy, at least until such time the global economy rebounds and, through the export channel, provides an additional window to India for job creation. Thankfully, the private sector has all the necessary pre-conditions lined up to step up to the plate and do the capex heavy lifting. Their internal resource generation is good, capacity utilisation is high, and the demand outlook continues to improve. Capital markets are willing to finance new investments, as are financial institutions.

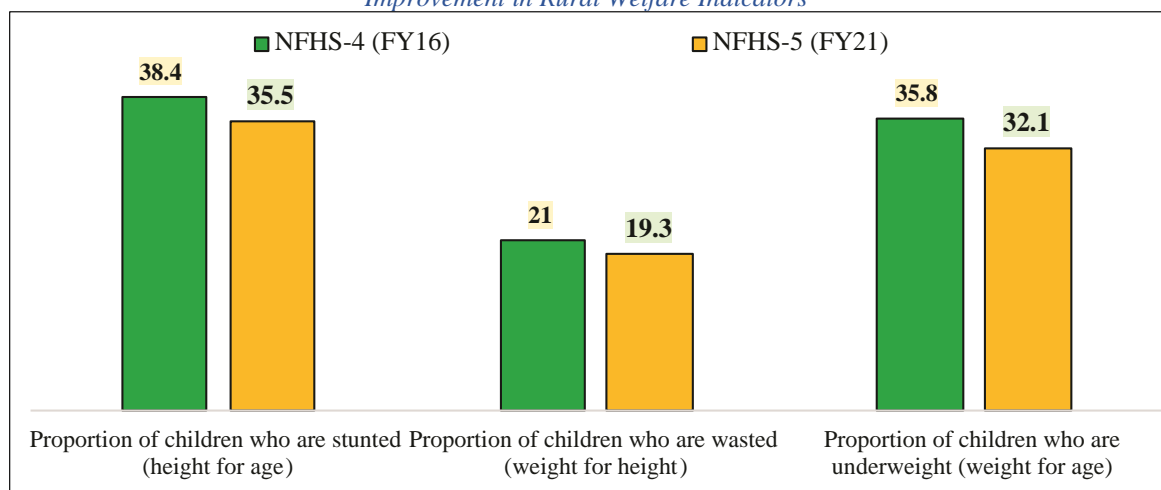
In FY21, the Government announced the Emergency Credit Line Guarantee Scheme. The scheme has succeeded in shielding micro, small and medium enterprises from financial distress. A recent CIBIL report (ECLGS Insights, August 2022) showed that the scheme has supported MSMEs in facing the covid shock, with 83 per cent of the borrowers that availed of the ECLGS being micro-enterprises. Among these micro units, more than half had an overall exposure of less than ₹10 lakh. Furthermore, CIBIL data also shows that ECLGS borrowers had lower nonperforming asset rates than enterprises that were eligible for ECLGS but did not avail of it. Further, the GST paid by MSMEs after declining in FY21 has been rising since and now has crossed the pre-pandemic level of FY20, reflecting the financial resilience of small businesses and the effectiveness of the pre-emptive government intervention targeted towards MSMEs.



Note: Includes firms with turnover up to ₹1000 crore. August 2022
 Micro -- <= 25cr; Small <= 25 to 100 Cr.; Medium 100 to 1000 Cr.

The scheme implemented by the government under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been rapidly creating more assets in respect of “Works on individual’s land” than in any other category. The share of this category rose to about 60 per cent in FY22, indicating that MGNREGA, besides generating daily wage employment, has also been creating assets for individual households to diversify their sources of income and lift their supplementary incomes. Details on asset creation under MGNREGA are further discussed in Chapters 6 “Social Infrastructure and Employment: Big Tent”. In addition, schemes like PM-KISAN, which benefits households covering half the rural population, and PM Garib Kalyan Anna Yojana have significantly contributed to lessening impoverishment in the country. The UNDP Report of July 2022 stated that the recent inflationary episode in India would have a low poverty impact due to well-targeted support. In addition, the National Family Health Survey (NFHS) in India shows improved rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

Improvement in Rural Welfare Indicators

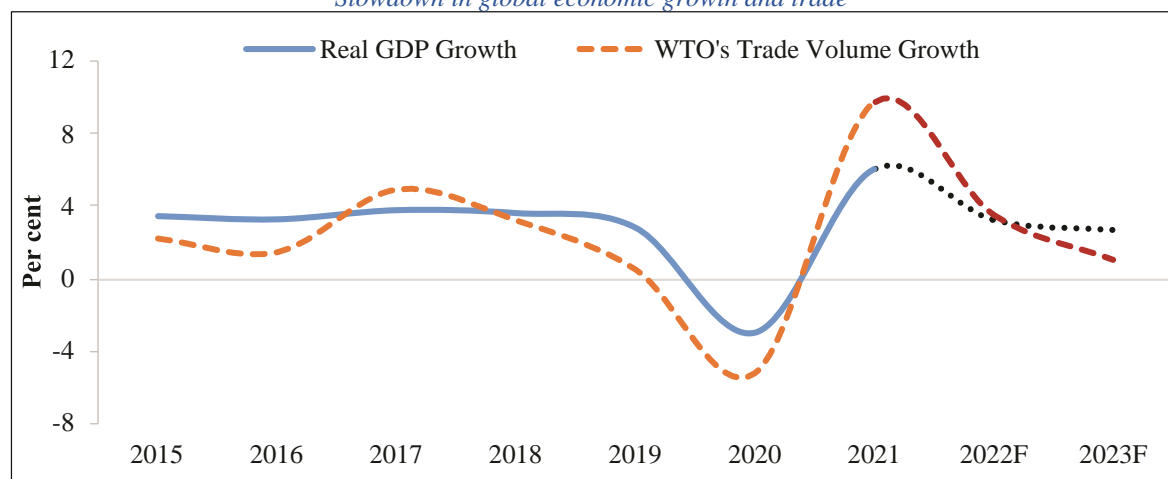


Source: NFHS-4 and NFHS-5

The year FY23 so far for India has reinforced the country's belief in its economic resilience. The economy has withstood the challenge of mitigating external imbalances caused by the Russian-Ukraine conflict without losing growth momentum in the process. India's stock markets had a positive return in CY22, unfazed by withdrawals by foreign portfolio investors. India's inflation rate did not creep too far above its tolerance range compared to several advanced nations and regions. A relatively higher growth forecast among major economies, projected retail inflation only slightly higher than the tolerance limit, and an estimated current account deficit financeable with normal capital inflows and forex reserves large enough to finance close to a year's imports are clear evidence of economic resilience amidst a global poly crisis. Strong consumption rebound, robust revenue collections, sustained capex in both the public and the private sector, growing employment levels in the urban as well as the rural areas, and targeted social security measures further underpin the prospects for economic and social stability and sustained growth. India is the third-largest economy in the world in PPP terms and the fifth largest in market exchange rates. As expected of a nation of this size, the Indian economy in FY23 has nearly "recouped" what was lost, "renewed" what had paused, and "re-energised" what had slowed during the pandemic and since the conflict in Europe.

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial – was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. The financial system stress experienced in the second decade of the millennium, evidenced by rising nonperforming assets, low credit growth and declining growth rates of capital formation, caused by excessive lending witnessed in the first decade-plus, is now behind us. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible. More importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7X in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance.

Slowdown in global economic growth and trade



Source: IMF, WTO

Note: F stands for Forecast

Even as India's outlook remains bright, global economic prospects for the next year have been weighed down by the combination of a unique set of challenges expected to impart a few downside risks. Multi-decadal high inflation numbers have compelled central banks across the globe to tighten financial conditions. The impact of monetary tightening is beginning to show in slowing economic activity, especially in Advanced Economies. Besides this, adverse spill overs from the prolonged strains in supply chains and heightened uncertainty due to geo-political conflict have further deteriorated the global outlook. Hence, global growth is forecasted to slow from 3.2 per cent in 2022 to 2.7 per cent in 2023 as per IMF's World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organisation, from 3.5 per cent in 2022 to 1.0 per cent in 2023.

INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source-Economic Survey 2015-16-Volume II, www.indiabudget.nic.in)

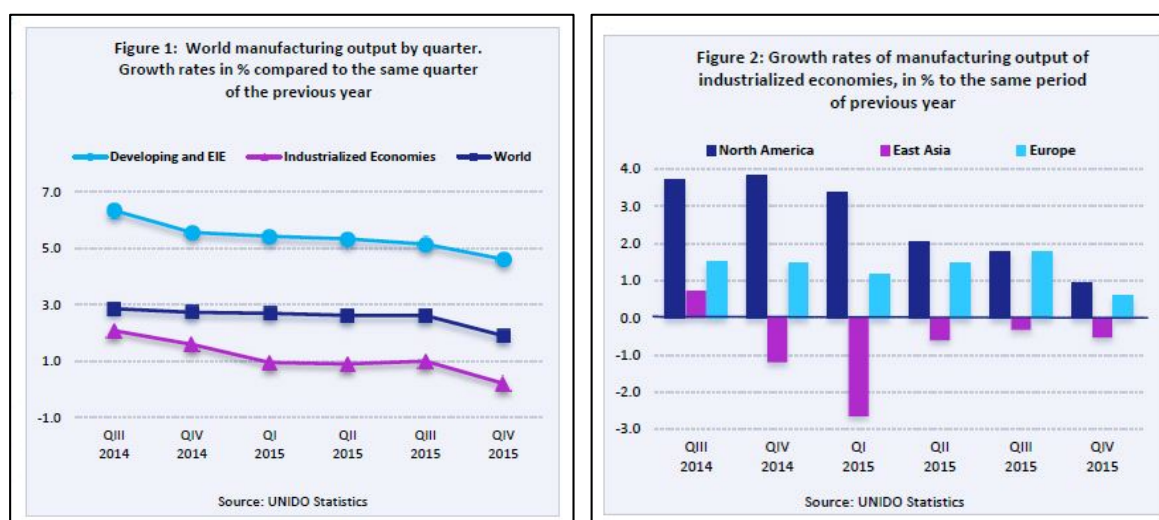
GLOBAL MANUFACTURING SECTOR

World manufacturing growth in the fourth quarter of 2015

World manufacturing growth slowed down further in the fourth quarter of 2015, with growth rates in both industrialized and developing economies decreasing. Weak business investment and sluggish consumer demand are among the major causes of the deceleration of global manufacturing output growth.

Growth in major emerging industrial economies has weakened, continuing the trend of the first quarter of 2014. China's slowdown and the sharp decline in manufacturing output of Latin American economies are the primary causes for the country group's weaker growth rate. The fall in commodity prices has affected some key emerging commodity export-dependent countries, namely Brazil and South Africa, and has resulted in currency depreciation.

The upturn in manufacturing growth observed in industrialized economies in the third quarter of 2015 did not continue in the fourth quarter of 2015, and this country group's production output decreased significantly. The slowdown in Europe and North America, along with a further decline in East Asian economies, resulted in a sharp deceleration in the country group's manufacturing output growth. In the United States, manufacturing exports slowed as a result of the strong US dollar and the low oil prices. Continued decline in China has also weakened Chinese demand for imports from Europe.



(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - www.unido.org)

Global manufacturing output growth rose by merely 1.9 per cent in the fourth quarter of 2015, down from a 2.6 per cent revised growth estimate in the third quarter. Slow investment growth, lower commodity and energy prices, weak global demand and geopolitical tensions are among the main causes of the overall flat-lining growth. However, these factors are having different effects on different economies. For example, favourable oil prices have reduced the business costs in oil importing countries, especially in industrialized economies, while oil exporting economies have been subject to increasing financial pressure.

The manufacturing output of industrialized countries rose by 0.2 per cent in the fourth quarter of 2015. This slow growth is attributable to a mixture of weaker growth figures in the United States and Europe and a decline in East Asia's manufacturing output. The question of the robustness of recovery in industrialized economies has been raised in earlier quarterly reports.

The growth of manufacturing output in developing and emerging industrial economies decreased to 4.6 per cent, down from 5.2 per cent growth in the previous quarter. The growth outlook varies between different developing and emerging regions and groups; e.g. manufacturing output grew by 6.1 per cent in developing countries in Asia and the Pacific compared to the same period of the previous year, while it declined by 4.0 per cent in the Latin America region. Manufacturing output has also declined slightly (0.2 per cent) in Africa.

Despite the slower pace of growth, developing and emerging industrial economies were the main drivers of global manufacturing growth. Their combined contribution to global manufacturing growth was around 80 per cent. This indicates the significance of manufacturing activities within the group for the overall global picture.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - www.unido.org)

Industrialized economies

The overall growth trend of industrialized countries decelerated significantly in the last quarter of 2015. Manufacturing output rose by a mere 0.2 per cent compared to the same period of the previous year, down from 1.0 per cent growth observed in the previous quarter.

The European economy grew by 0.6 per cent in the fourth quarter of 2015 compared to the same quarter of the previous year. Yet, the manufacturing output of the euro zone economies rose by 1.5 per cent. As revealed by the figures, Switzerland recorded a 14.7 per cent decline in manufacturing output and dragged down the overall growth rate of industrialized Europe. The consequences of the Swiss franc-euro exchange rate became more visible in the last two quarters of 2015 and have affected the country's exports, which have become more expensive for consumers.

The industrial production index in North America rose by 0.9 per cent in the fourth quarter of 2015 on account of the growth of manufacturing output in the United States. Despite this, the growth of the US manufacturing sector has weakened, rising by only 1.1 per cent as overseas demand remained slow. A strong US dollar hit exports and domestic sales of American manufactured products, indicating a loss in competitiveness to cheaper imported goods. In addition, demand for machinery goods from the energy sector declined due to lower oil prices. Manufacturing output dropped by 1.0 per cent in Canada due to the decline in petroleum and coal prices.

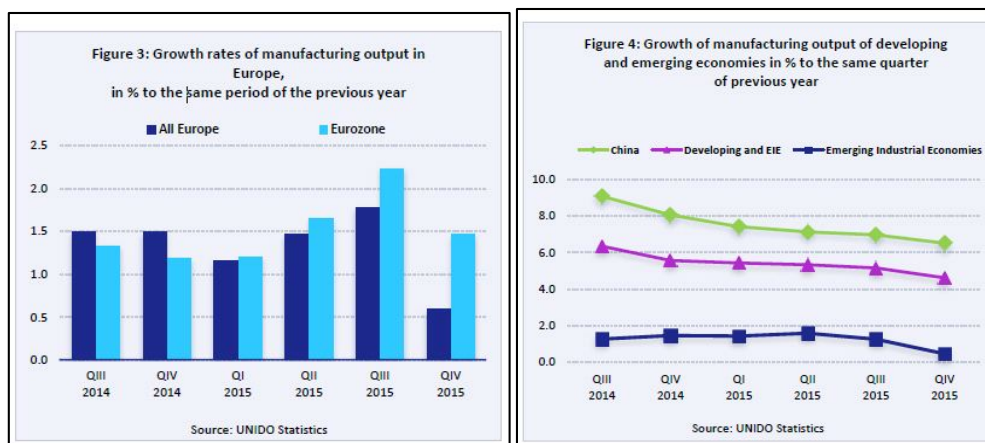
In East Asia, negative growth rates were observed in the major economies, namely Japan, the Republic of Korea and Singapore, in the fourth quarter of 2015, declining by 0.6 per cent, 0.6 per cent and 6.8 per cent, respectively. On the other hand, manufacturing output rose by 4.9 per cent in Malaysia compared to the same period of the previous year.

As already mentioned, Europe's overall growth rate was dragged down by a significant decline in the Swiss economy. This has increased the gap between the output growth of the euro zone and of Europe as a whole, with euro zone countries registering a much higher manufacturing growth due to lower energy prices and a weaker euro. Growth was especially strong in Ireland (15.7 per cent), in Slovakia (7.3 per cent) and in Spain (5.8 per cent).

Across non-euro countries, manufacturing output declined in Norway, Switzerland and the United Kingdom. The downturn in Norway by 7.6 per cent is attributed to a decrease in the production of oil- and gas-related industries. The setback in the UK's manufacturing sector by 1.0 per cent resulted from a strong currency and weak global demand. At the same time, the output of manufacturing activities increased by 3.9 per cent in the Czech Republic, by 9.4 per cent in Hungary, and 3.7 per cent in Sweden in the fourth quarter of 2015. The manufacture of motor vehicles was the main driver of growth in Hungary's manufacturing sector.

The decline in the Russian Federation's manufacturing sector continued, with output decreasing by 5.7 per cent and currency depreciation deteriorating.

Despite the overall positive growth in industrialized economies as a whole, growth rates remained low. Appropriate monetary policies are required that can boost demand and increase investment.



(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - www.unido.org)

Developing and emerging industrial economies

A decrease in the growth rate of manufacturing output in developing and emerging industrial economies continued in the fourth quarter of 2015. Industrial production rose by 4.6 per cent as a result of the relatively lower growth in Asian economies (mainly China) and a notable decline in Latin America. Growth in emerging economies, excluding China, continued to decelerate.

As mentioned in earlier reports, China is in a transition period of shifting its economy from the manufacturing sector towards the services sector. As a result of the structural change in the economy, China's manufacturing output rose by 6.5 per cent in the fourth quarter of 2015, the slowest growth rate since 2005 and down from 7.0 per cent in the previous quarter. Recently, the Government of China announced the two-child policy, which could accelerate economic growth in the near future. This will significantly boost internal demand for consumer goods within the country.

The Latin America region is struggling to overcome a deep recession as demonstrated by the decline in manufacturing output by 4.0 per cent in the fourth quarter, lower than the 2.9 per cent drop recorded in the previous quarter. The industrial production index decreased in nearly all economies with the exception of Mexico, where output grew by 2.2 per cent on a year-to-year basis. In Brazil, the recession continued and manufacturing output fell by 12.4 per cent in the fourth quarter of 2015 as the internal political crisis remained unresolved and commodity prices declined. Among the other major economies in the region, manufacturing output dropped by 0.9 per cent in Argentina, by 1.5 per cent in Chile, by 0.4 per cent in Columbia and by 0.8 per cent in Peru.

Manufacturing output fell slightly in Africa (by 0.2 per cent), however, negative growth has only been observed in one country in the region while the rest of the region registered positive growth figures. Manufacturing output grew by 1.1 per cent in Egypt, by 0.4 per cent in Morocco, by 5.8 per cent in Senegal and by 0.8 per cent in Tunisia. A decline of 1.4 per cent was registered in South Africa where the economy—as an exporter—has been hit by the low commodity prices.

Among other developing countries, a strong growth of 12.4 per cent was registered by Viet Nam. Industrial production also grew by 5.3 per cent in Bosnia and Herzegovina in the fourth quarter of 2015 on a year-to-year basis.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - www.unido.org)

Key Findings on World Manufacturing Sector

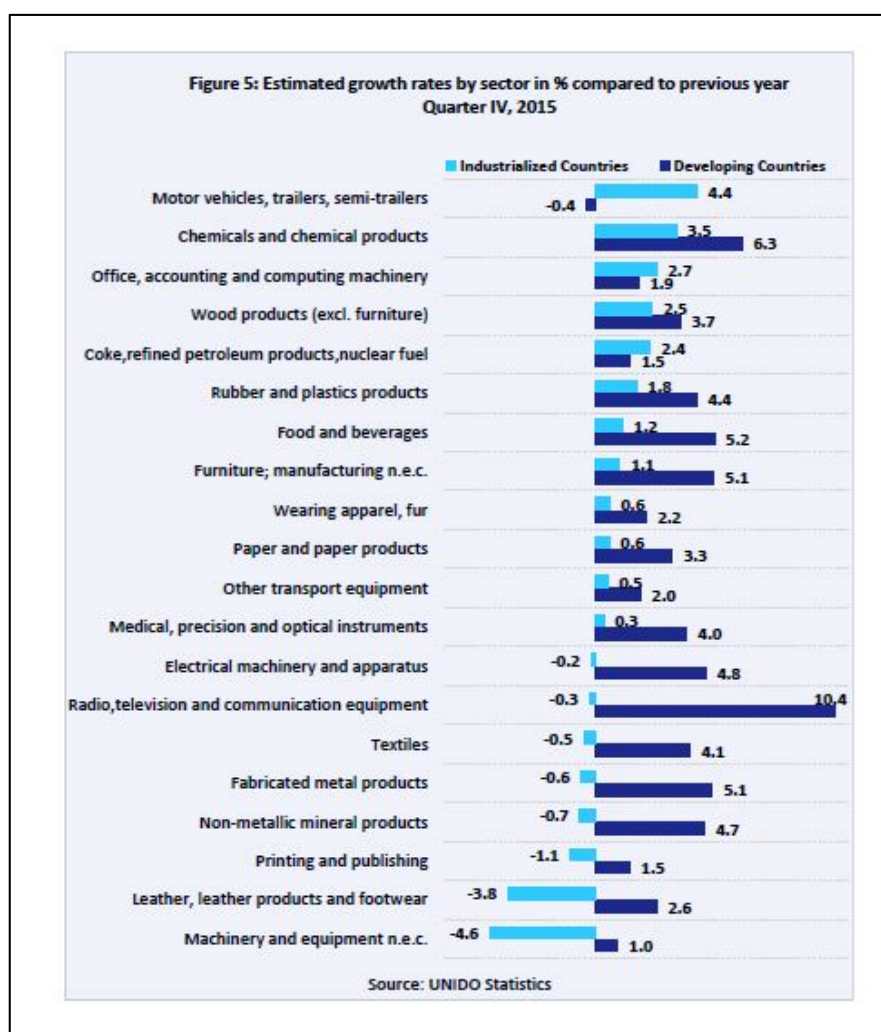
On a year-to-year comparison, world manufacturing production grew in all manufacturing sectors in the fourth quarter 2015, with the exception of the manufacture of machinery and equipment and printing and publishing. The global decline in the production output of the manufacture of machinery is attributable to low energy prices. Higher growth rates have been observed in the manufacture of radio and television and of chemicals and chemical products. Growth was positive across all industries in developing and emerging industrial economies, except a slight decline in the manufacture of motor vehicles. Industrialized countries registered negative growth in eight manufacturing industries.

Among the consumer goods production industries, output of wearing apparel grew by 2.2 per cent in developing and emerging markets and by 0.6 per cent in the industrialized country group. The industry's output grew by 16.9 per cent in the Czech Republic, by 14.6 per cent in the United Kingdom, by 12.8 per cent in Egypt, and by 12.3 per cent in Mexico. However, the manufacturing output of the wearing apparel fell sharply in Brazil and Indonesia, by 12.9 per cent and 16.4 per cent, respectively. A significant decline was also observed in wearing apparel production in Canada and Estonia. The production of textiles grew by 4.1 per cent in developing countries while industrialized countries registered a decline of 0.5 per cent in this production. At country level, impressive growth in textiles production was recorded in Argentina, Estonia and Hungary whereas it dropped sharply in Brazil and Senegal. The production of food and beverages grew at a higher rate (5.2 per cent) in developing countries. As such, output grew by 7.8 per cent in China, by 7.3 per cent in Indonesia and by 5.2 per cent in Romania. Output declined by 10.3 per cent in Tunisia and by 7.0 per cent in Egypt. The food sector was the only manufacturing industry with a positive, albeit poor, growth in Brazil.

The notable growth rate of 10.4 per cent was observed in the manufacture of radio, television and communication equipment in developing and emerging countries, with China, Egypt and India being the leading manufacturers. In industrialized markets, the highest growth rate in this manufacturing sector was seen in France.

The production of motor vehicles fell marginally by 0.4 per cent in developing countries, attributed mainly to the decline in the industry in Latin American economies. The industry's output rose by 4.4 per cent in industrialized countries, with Italy, Spain and Sweden being the top producers worldwide in the fourth quarter of 2015. The manufacturing production of other transport equipment increased at a higher rate in developing countries.

The manufacture of chemicals and chemical products increased considerably in China, Senegal and Tunisia, as well as in Ireland, Netherlands and the Russian Federation. The chemical industry was one of the few industries in the Russian Federation recording a higher growth rate, with a 6.6 per cent increase compared to the previous year.



The production of basic metals, which includes the production of basic iron, basic steel, basic precious and non-ferrous metals, rose by 5.9 per cent in developing countries compared to the same period of the previous year, but dropped by 4.8 per cent in industrialized countries in comparison to the previous year. Manufacturing output grew in China, Indonesia and Macedonia, while it fell in all Latin American economies and in Africa.

In the United States, as the largest driver of growth in industrialized economies, the manufacture of electrical machinery and apparatus and motor vehicles remained strong in the fourth quarter of 2015. However, other industries showed either a decline or a decrease in production output. The combination of low energy prices and expensive currency contributed to the economic slowdown of the United States. Despite its slow economic growth, China's manufacturing output in most industries increased compared to the same period of the previous year. China recorded its highest growth rates in the manufacture of radio and television (10.1 per cent), chemicals and chemical products (9.8 per cent) and the manufacture of basic metals (8.9 per cent).

(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - www.unido.org)

GLOBAL ENGINEERED STONE INDUSTRY

The UK had a good start in 2015 with both unemployment and inflation falling which has caused an increase on performance on the first quarter this year. Manufacturers exports have increased for the first time in 9 months during February 2015. The fall in oil prices should boost our economy to the point at which the Governor of the Bank of England's greatest threat is a possible scenario of deflation.

Whilst figures from the ONS show a decline in construction during end of 2014 and January 2015, there have been almost £6 billion during February with an increase on both Industrial and Commercial projects from the private sector. Most contracts in February were awarded in London with a 27% increase in residential projects and 26% increase in commercial projects.

Stone Demand

The UK has an ever increase demand for natural and engineered stones which has increasingly grown since 1990. Demand for stone across the world is leaded by China (25%), United States (26%), India (8%) and the UK, Canada and Egypt with 4% each.

Stone buyers' location worldwide

Sr. No.	Area	Percentage
1	Asia	33%
2	America	26%
3	Europe	20%
4	Africa	8%
5	Other	10%
6	Oceania	3%

Market Scenario

Marble presents the highest increase from 5% in 2014 to 9% of market share in 2015. A strong demand for more exotic and exclusive materials such as quartzite has pushed demand to a substantial portion of overall sales of natural stones. Engineered/composite marble is around 50% cheaper than quartz but used on bathrooms and floorings rather than kitchens since it stains and has become one of the preferred products by property developers for apartment blocks.

Most popular Stone Colours

White, grey and a mix of these two colours are without doubt the most popular schemes in 2015. Whites in all shades and hues comprise almost 30% of all installations, followed by greys with 13% of market share. Kitchen showrooms have the highest demand of quartz in London with 31% market share, followed by Interior designers (21%), architects (16%) and property developers (5%).

Materials

Favourite new materials are Statuario marble, Moon Rock (Superwhite quartzite), Calacatta Brazil quartzite and Fiori Di Pesco marble. In terms of quartz products clients aren't afraid to try new additions by the different such as Caesarstone Bianco Drift, Compac Gray Zement and Silestone Rougui.

(Source: Building and Stone Industry Report May 2015, MKW Surfaces- www.mkwsurfaces.co.uk)

INDIAN MANUFACTURING SECTOR

Introduction

The Prime Minister of India, Mr. Narendra Modi, has launched the 'Make in India' initiative to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.

The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector could touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

In November 2015, the seasonally adjusted Nikkei India Manufacturing Purchasing Managers' Index (PMI) stood at 50.3, which indicated expansion for twenty-fifth consecutive month. The services PMI was at 50.1 points in November 2015.

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 28.42 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on December 17, 2015

References: Media Reports, Press Releases, Press Information Bureau, McKinsey & Company

(Source: *Manufacturing Sector in India -India Brand Equity Foundation* www.ibef.org)

INDIAN STONE INDUSTRY

India is a treasure trove of stone deposits. Our country probably has the largest reserves of granites and natural stones in the world. India accounts for 20 per cent of the total world reserves in granites, marbles, sandstone, slate, etc. (approximately 1,690 million cu m). We have over 160 shades of granite colours. Unfortunately, most of the reserves are located in forests and restricted hilly areas. Today, Karnataka, Andhra Pradesh, Tamil Nadu and Rajasthan are the top producers of granite and marble. Jharkhand, Chhattisgarh, Madhya Pradesh, Orissa, Kerala and Gujarat are the emerging states. Because of various restrictions, such as poor state rules and environmental concerns, we are able to exploit a dismal 3 per cent of our resources.

The Indian stone industry is spread throughout the length and breadth of the country. The journey of the processing industry started with circular saw machines; and gradually, because of constant up gradation of technology, it has graduated to using gang saws and circular wire saws. The latest resin lines, polishing lines and other top-of-the-range equipment that we use today have enabled us to meet the international quality standards. Even in today's mining sector, diamond wires are being used, dispensing the traditional blasting method. There are more than 20,000 units functioning all over India with a huge investment of more than Rs 50,000 crores and providing job opportunities to more than 15 lakhs people.

The granite, marble, slate and sandstone mining and processing industries located in various parts of the country are as follows:

- **Karnataka** – Kanakapura, Kollegal, Chamarajanaar, Nanjangudu, Mysore, Hassan, Ilakkal, Tumkur, Sira, Bangalore, etc.
- **Tamil Nadu** – Hosur, Salem, Krishnagiri, Madurai, Shivakashi, Chennai, Pondicherry, etc.
- **Andhra Pradesh** – Chittor, Hyderabad, Warangal, Karimnagar, Khamam, Ongole, Vizag, etc.
- **Rajasthan** – Jalore, Jaipur, Kishnagarh, Rajasmand, Abu Road and Jaislmer
- Parts of Orissa, Gujarat, Haryana, Madhya Pradesh and Himachal Pradesh
- Granite deposits are also present in many parts of West Bengal, UP and Jharkhand

Our journey has not been smooth all the way, and we are still facing many difficulties in promoting the global stone industry. AIGSA has been playing a very important role in co-ordinating the industry with central and state governments for the formation of an appropriate policy for the industry. With our concerted efforts, India has become the seventh largest stone exporter in the world, behind China, Italy, Turkey, Egypt, Greece and Brazil. We have the largest resources of granite and natural stones. With assistance from the government, we can surely become the topmost stone exporter in the world.

OUR BUSINESS

Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Management’s Discussions and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 21, 50, 139 and 104 respectively, as well as financial and other information contained in this Draft Letter of Offer as a whole. Additionally, please refer to “Definitions and Abbreviations” on page 4 for certain terms used in this section.

OVERVIEW

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 (“Partnership Act”) in the name and style of “M/s Shiva Export Co.” pursuant to a deed of partnership dated July 16, 2007. The constitution and capital of the partnership firm were changed several times pursuant to supplementary agreement modifying the partnership deeds dated October 11, 2008, April 1, 2015 and November 3, 2015. M/s Shiva Export Co. was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 with the name of “Shiva Granito Export Limited” and received a fresh certificate of incorporation from the Registrar of Companies, Jaipur, Rajasthan on December 31, 2015. The Corporate Identification Number of our Company is L14200RJ2015PLC048974. The registered office of our Company is situated at 8, Bhatt Ji Ki Baari, Udaipur-313001, Rajasthan.

Our Company started as partnership firm in the year 2007 as importer and exporter of all kind of decorative stones, minerals, chemicals. Later it decided to extend its operation by entering into manufacturing of the engineered quartz stone slabs, different grades of resins and quartz stone powder and manufacture & dealing of God & Goddess Statues/deities.

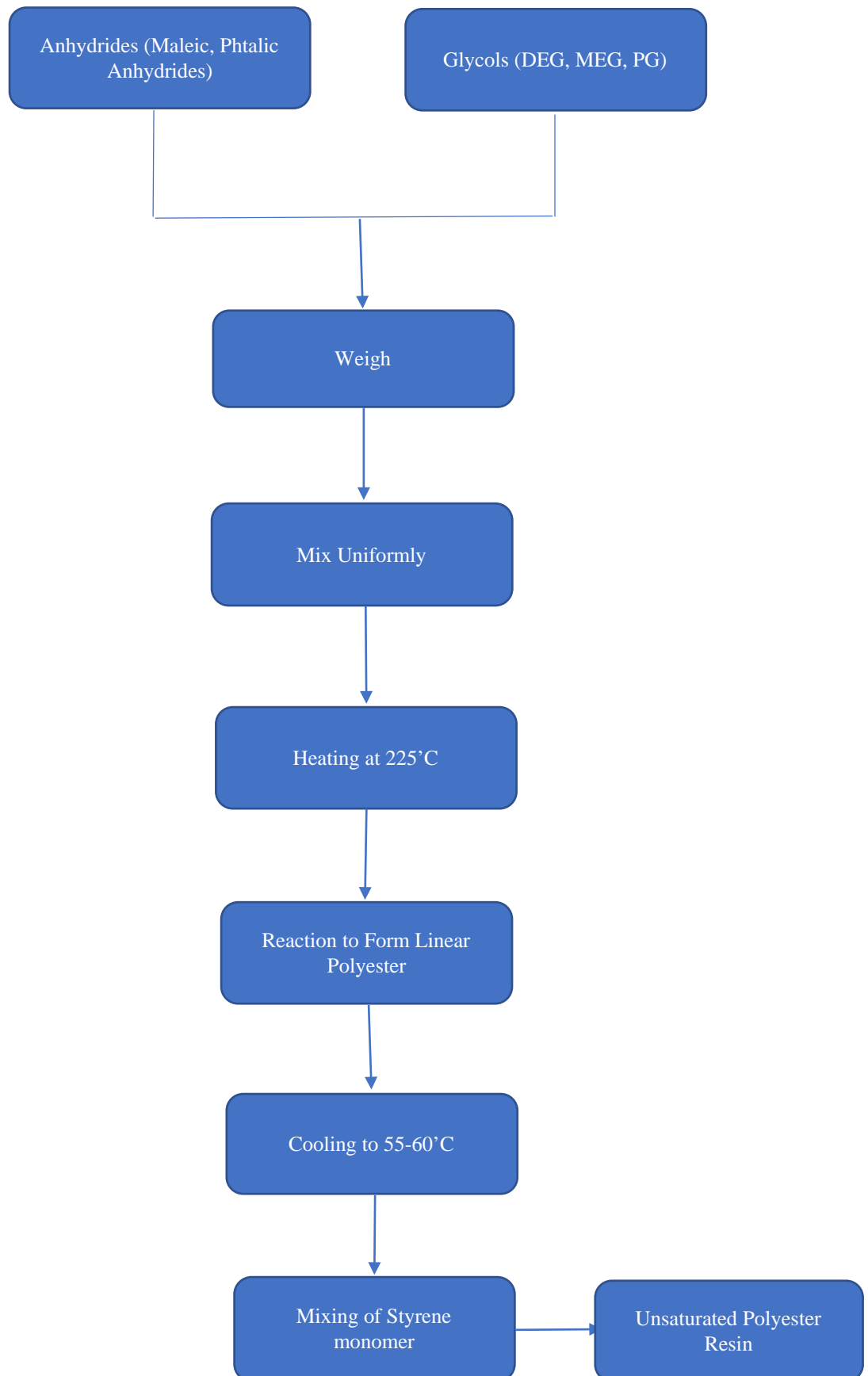
Spread over 4.1 bighas, our manufacturing facility located at **Vana Village** in **Udaipur** District, Rajasthan, our Company’s manufacturing unit is equipped with laboratory, enabling the company in house to develop new colours, besides facilitating conducting of tests and analysis of various products. At present we have manufacturing plant for engineered quartz stone slabs, different grade of resins, quartz powder and God & Goddess Statues/dieties.

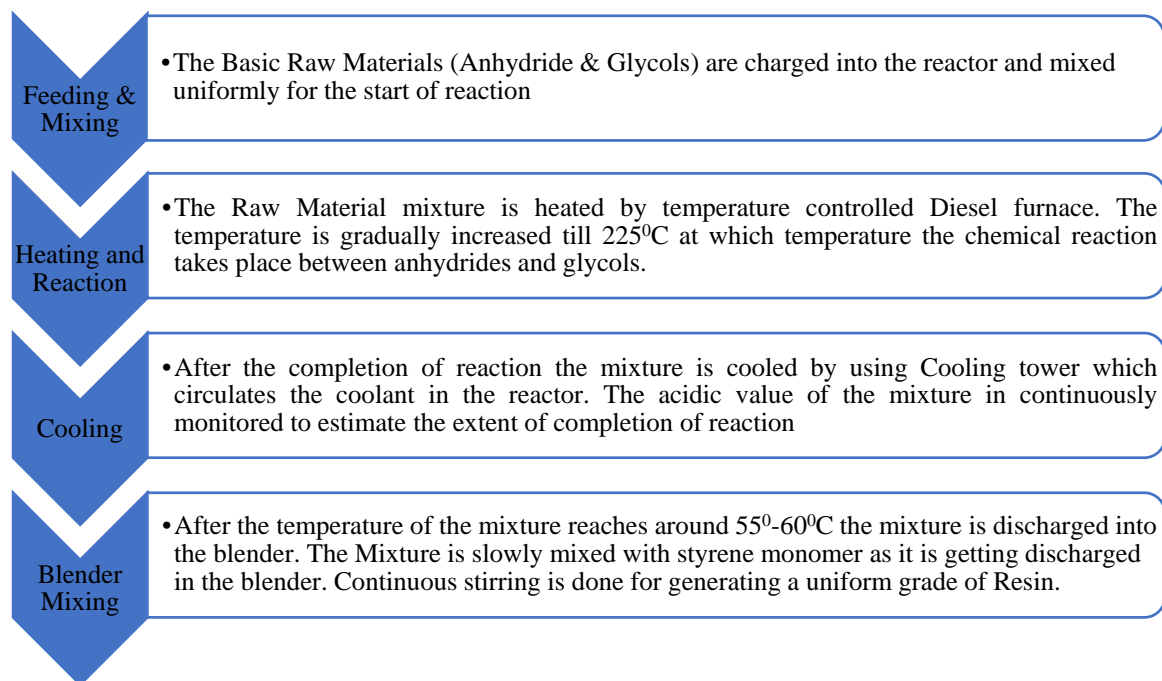
Resin Manufacturing Unit



Our Company has installed a resin manufacturing unit with the annual capacity of around 1900 MT of different grades like PET, general purpose, marble grade etc. The manufacturing unit is automatic in which different equipments of the plant like the motors, valves etc. can be controlled by a central console unit. The manufacturing Unit also has storage tanks of the raw materials and the finished products which helps in the fulfillment of bulk orders.

OUR MANUFACTURING PROCESS OF RESIN



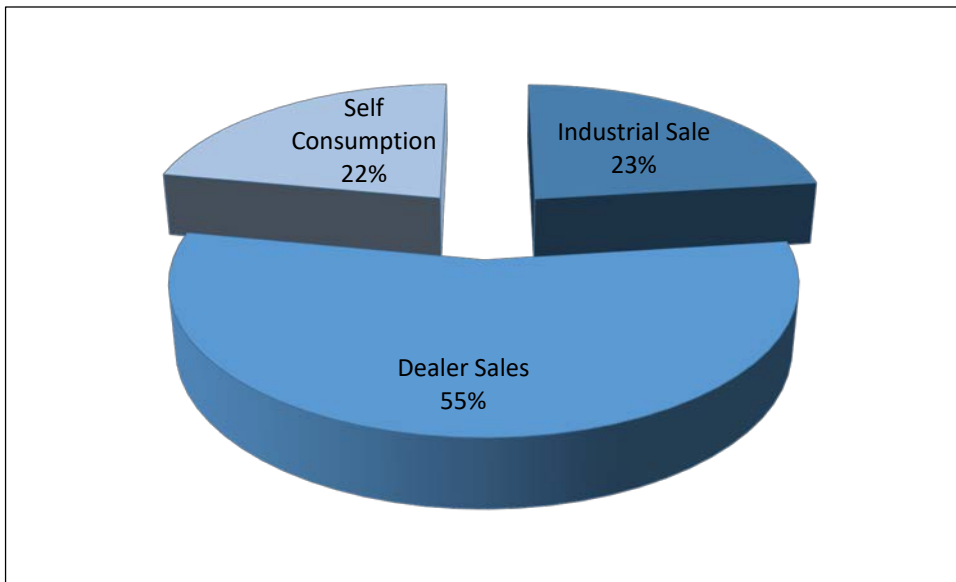


END USE

We manufacture different grades of resins as per the orders received and also resin is manufactured for self-consumption.

The market for resin can be broadly classified into three categories, on the basis of their end-use:

- a) **Industrial Sale**
 - b) **Dealers Sale**
 - c) **Self-Consumption (to be used in manufacturing of Quartz Slabs)**
-
- a) **Industrial sale**
The demand for various grades of resins is based on the Industrial requirements of the Consuming Industry like a marble Industry requires a marble grade resin , quartz industry requires quartz grade resin and likewise.
 - b) **Dealers Sale**
The requirement generated through dealer network is very useful in penetrating the market since most of the dealers offers to clients a range of chemical products. Therefore dealer network constitutes a sizeable size of the sales market
 - c) **Self-Consumption**
We also manufacture resin for use in our own Quartz Slabs Factory. This enables us to maintain the quality of the quartz slabs.



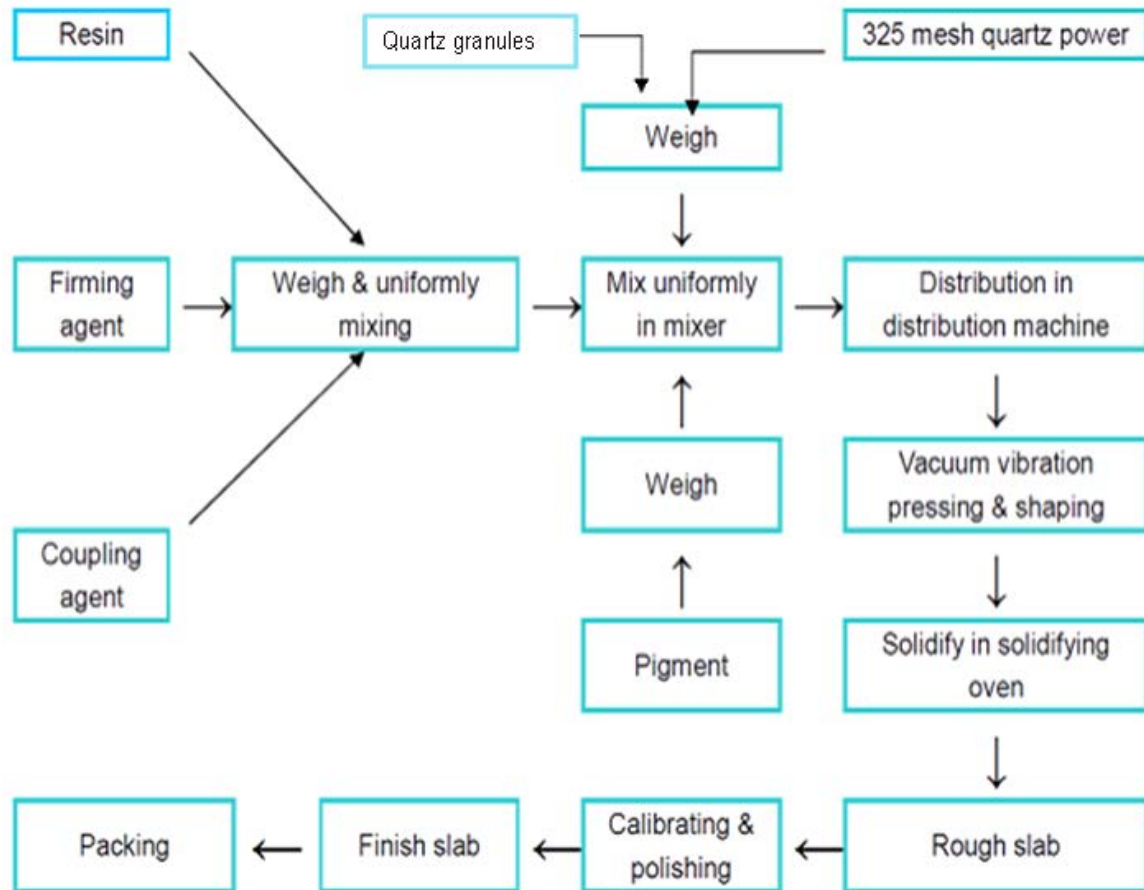
Quartz Slab Manufacturing Plant

Our Company has installed a Quartz Slab Manufacturing Unit of annual capacity around million sq. ft. for manufacturing quartz slab of different colours and sizes.

The Complete automated line has been imported from China. The thickness of the slabs can be from 10 mm to 30 mm. The manufacturing unit is energy efficient having machines which can manufacture quartz slabs. With controlled manufacturing process, the finished quartz slabs can be supplied in very large quantities with varied features, such as consistency in weight, thickness and compactness and uniform design and colour of the exposed surface.



OUR MANUFACTURING PROCESS OF QUARTZ SLAB



Feeding & Mixing

Raw materials are inspected, then fed into mixers and blended together. This mainly consists of a main mixer having capacity of 2000 kg of resin and pigment; it is enough for one color for one full day's production requirement, to guarantee the color uniform of the same batch and a small mixer silo which is used for resin and color from big resin mixing tank is proportionately mixed with hardener and coupling agent

Molding

The mixture is then poured into a mold and formed into slab sizes of width 800 ~1650mm; Length of finished slab: 2400 ~ 3250mm; and Thickness of finished slab: 10 ~ 30mm

Pressing

The slab is then compacted by a special vacuum and vibration process at a pressure of 100 tons.

This is very unique 3rd Generation Press adopted the newest synchronization technology of the vibrators and Steel Spring to reduce shake. It also gives a pressing performance. It has three in one operation such as vacuumisation, vibration and pressing of the slab. The vacuumisation and the vibration of the slab is done simultaneously.

The minimum and maximum working thickness of the slab could be changed from 10mm to 35mm; The vacuum space adopted in this machine is considerable small, time to vacuumize its space would be decreased greatly which means high production efficiency and also cost saving.

Curing

The slabs are moved to the curing kiln and heated to 90°C for 45 minutes which gives them the strength and solidity. It is used for hardening the slab automatically. It has an automatic feeding and PLC based control system. Furnace adopts full-automatic diesel burners and entirely sealed combustion cabinet to give more energy saving than that from other type of solidifying system.

Calibration & Polishing

Slabs are then gauged, calibrated and polished to finish in a wide range of colors and designs in one of our three textural surface finishes: Polished, Honed, or Textured.

Quality Assurance

Finally, the slabs pass through quality inspection.


ENGINEERED QUARTZ STONE SLABS




Engineered quartz stone slabs are composite material made of crushed stone bound together by a polyester resin. Engineered quartz stone slabs products are gaining in popularity and are sometimes preferred over granite products because engineered quartz stone slabs require less maintenance. Compared to unsealed granite, it has better resistance to stains. Quartz is the major filler, although other material like coloured glass, shells, metals, or mirrors might be added. Different types of resins are used by different manufacturers.

OUR RANGE OF QUARTZ STONE SLABS

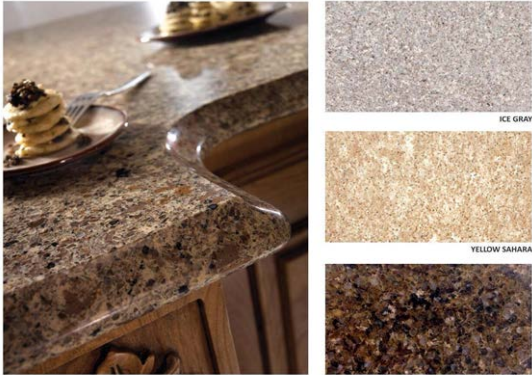
1. Galaxy Series

 <p>WHITE GALAXY GREY GALAXY YELLOW GALAXY</p> <p>BLACK GALAXY BROWN GALAXY FANTA GALAXY</p> <p>BLUE GALAXY GREEN GALAXY BEIGE GALAXY</p> <p>RED GALAXY PINK GALAXY MAROON GALAXY</p>	<p>This series gives the most diversified range of colours. With sparkle its inherent property it is very widely used in domestic market for countertops. A wide range of shades gives fabricator the choice to personalise each architectural design.</p>
--	--


2. Fine Series

 <p>CEMENTO GREY SAND BROWN</p> <p>BEIGE CLASSIC AVALANCHE</p> <p>KHAKI MUSTARD WHITE</p>	<p>This series represents the wide range of elegant colours. Widely popular in the international market because of its subtle appearance.</p>
---	---

3. Earth Series

 <p>ICE GRAY</p> <p>YELLOW SAHARA</p> <p>MARIGOLD BROWN</p>	<p>This series is inspired by the popular natural granites. Resembling the natural granites, its gives fabricator an edge over the use of natural granites by providing them a consistency in the colour pattern. A natural quartz surface, is a blend of nature and technology, combining beauty and functionality in a high performance surface.</p>
--	--

4. Premium Series

	<p>This series is specially designed to incorporate the natural marble designs in the quartz surfaces. A stone surface with marble design and strength like granite is a dream come true for architectural designer because of its high quartz content, surfaces are ultra-durable and resistant to scratches and chipping. Its dense composition also makes quartz highly resistant to staining.</p>
---	---

END USE

We cater to International and Domestic customers. Currently we offer our products through dealers, distributors and business associates.

We manufacture quartz slab that are used for residential and commercial purposes which are sold as per the orders received by parties either directly or through a third party distributors.

The market for quartz slab can be broadly classified into two categories, on the basis of their end-use:

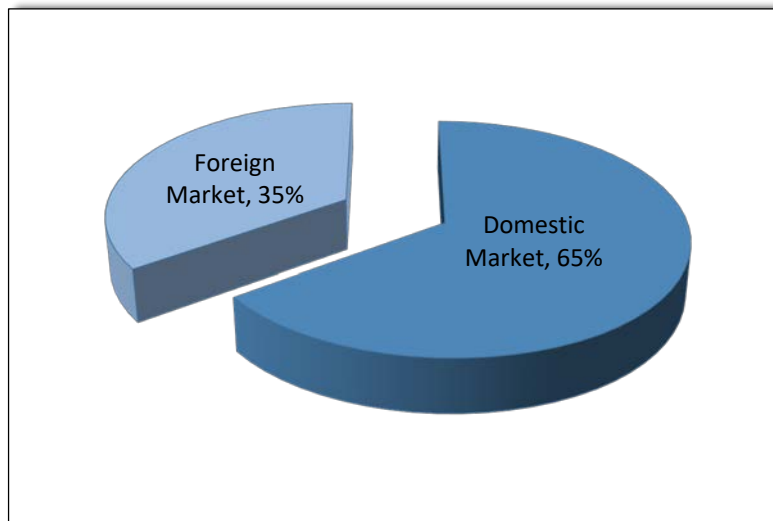
a) International Buyers

The demand for Quartz countertop in international market is mostly from buyers like Wholesale Importers and Warehouse Distributors, Merchant Exporter. They mostly cater to the Dealers and fabricators network who then supply and install to the end users.

b) Domestic Users

The domestic users mostly comprise distributors, dealers and project fabricators. Most of the quartz slabs used by the distributors are used in household as kitchen countertop however in project fabricators it is also used in flooring purpose.

Our Quartz Slabs Sales in both the Markets can be estimated as below:

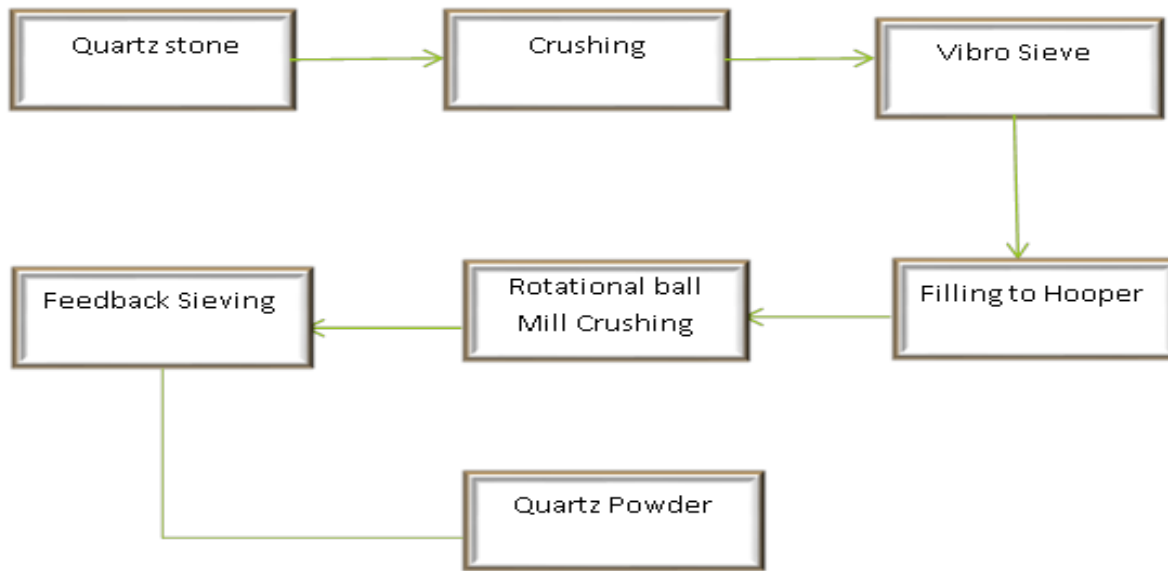


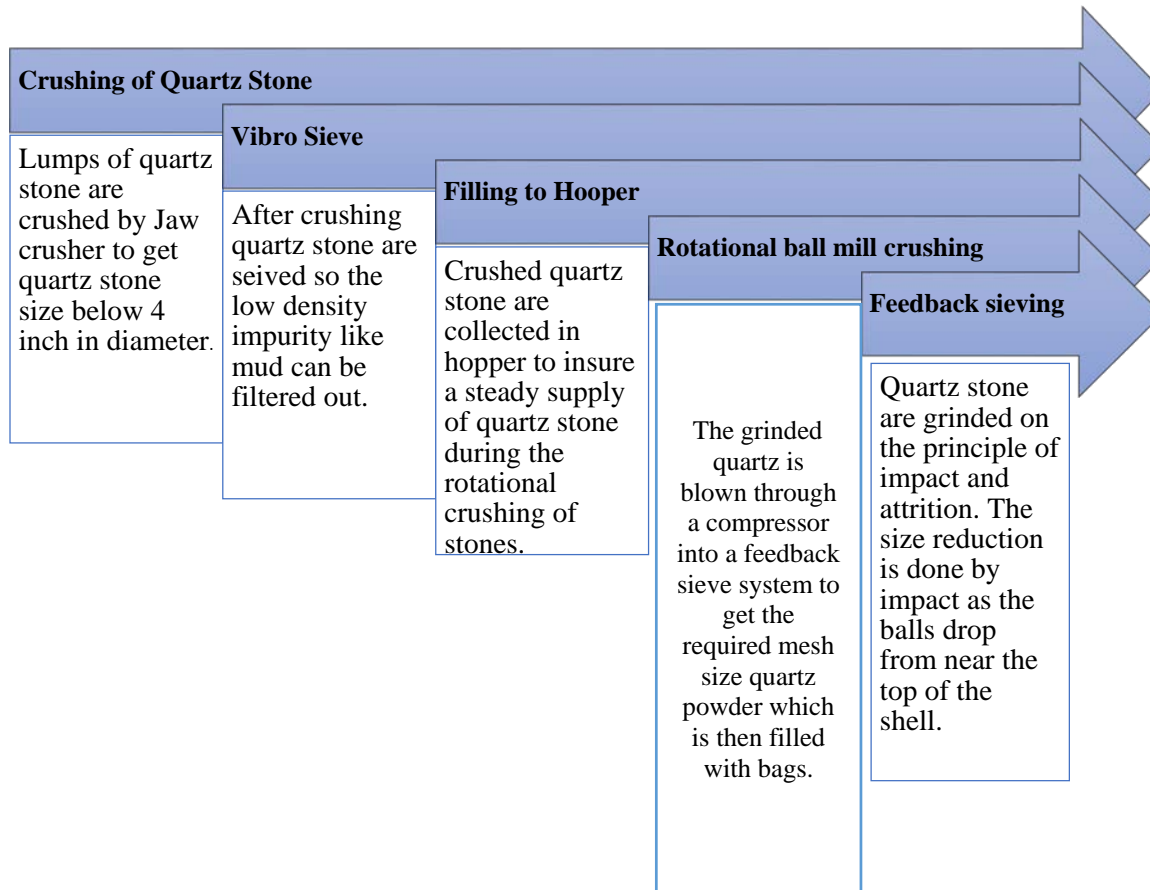
Quartz Powder Manufacturing

Our Company has a fully automated quartz powder manufacturing unit with the annual capacity of around 4500 MT of different mesh sizes. The manufacturing unit is a modernized unit having the entire supporting unit like crusher, belt conveyer, loader, etc. with an uninterrupted power supply by also having a generator. The manufacturing unit installed is at the strategic location with a close access to many quartz quarries so that it ensures a continuous supply of raw material with very good quality which ensures quantity product.



OUR MANUFACTURING PROCESS OF QUARTZ POWDER





Quartz Powder

This is natural silica powder which is the most abundant mineral on earth. And we are one of the suppliers of it. Offered in snow white colour form, our quality proved quartz is twinned with adjacent crystals to make them appear substantial. To suit the varied requirements of the clients, we can also customizes range of this powder within committed period.



END USE

We manufacture different mesh size Quartz powder as per the orders received and also powder is manufactured for self-consumption.

The market for Powder can be broadly classified into three categories, on the basis of their end-use:

- a) **Industrial Sale**
- b) **Dealers Sale**
- c) **Self-Consumption (to be used in manufacturing of quartz slabs)**

a) Industrial sale

The demand for various mesh size of powder is based on the industrial requirements of the Consuming Industry like a Glass Industry requires 250 mesh size powder, Quartz Industry requires 300 Mesh size powder and likewise.

b) Dealers Sale

Dealer requirement constitutes of domestic as well as export grade quartz powder.

c) Self-Consumption

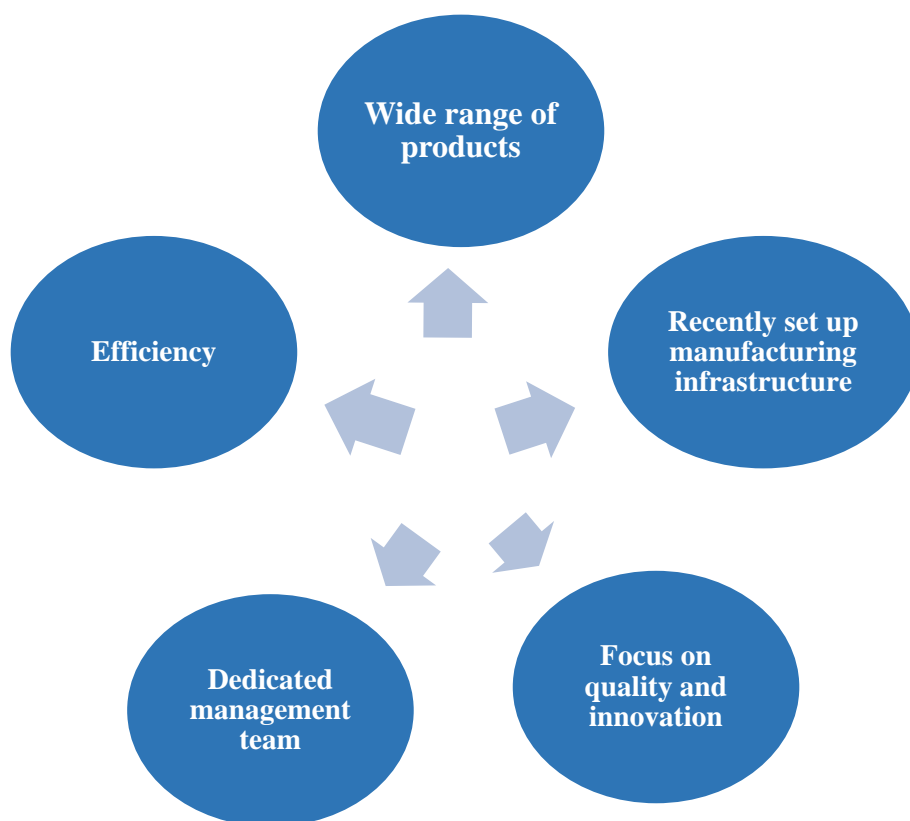
We also manufacture resin for use in our own quartz slabs factory. This enables us to maintain the quality of the quartz slabs.

MANUFACTURING/DEALING OF GOD & GODDESS STATUES/DEITIES

Our Company is also into manufacturing/ dealing of God & Goddess Statues/Deities.

We manufacture and/or deal in God & Goddess Statues/Deities statues made up of marble and stones. We sell God & Goddess statues/ deities made up of marble and stones against the specifications of customers. Most of such sales are realised in cash instantly.

OUR COMPETITIVE STRENGTHS



1. Efficiency

We are equipped with recently set up manufacturing infrastructure. The raw materials required for manufacturing quartz slab manufactured by us is near the vicinity of our quartz slab manufacturing plant. Our trained and experienced manpower has also helped in streamlining the production process.

2. Focus on quality and innovation

We believe that quality and innovation are the bed-rock of successful strategy. Towards this end we stress on and constantly strive to maintain and improve the quality of our products. This focus is reflected in the standard of our quality systems which have been certified by QVC. We have provided galaxy, fine premium, rustic, metallic and wooden series into the market. This enables us to compete with greater efficiency against the marble industry which hitherto was considered the only producer of the larger slabs, which is perceived to have greater aesthetic appeal. We have thus produced a wide range of colours, designs and size variations of slabs and we believe that we will continue to do so in the future.

3. Dedicated management team

We have a dedicated management team comprising our Promoter, Directors and key managerial personnel. Our business is conducted under the supervision of our Directors. In addition to our directors, we also have a core management team which assists the top level management in identifying new opportunities and in the implementation of the business strategies of our Company.

4. Recently set up manufacturing infrastructure

Our Company has recently set up infrastructure. We also have an in-house laboratory for testing our products. This infrastructure enables us to manufacture wide range of products.

5. Wide range of products

Our diverse range of quartz slabs are capable to withstand extreme conditions and is made available in assorted sizes and specifications for catering to the special needs of our clients. We believe that maintaining a diverse portfolio in our business provides us with an opportunity to cater to diverse needs of different customer segment.

COLLABORATIONS

As on date of the Draft Letter of Offer, our Company has not entered into any collaboration agreements.

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our registered office at 8, Bhatt Ji Ki Baari, Udaipur-313001, Rajasthan, is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility located at Plot-1199/11/1, Village Vana, Dabok Road District Udaipur, Rajasthan is equipped with requisite utilities and modern infrastructure facilities including the following:-

Power

Our Company meets its Power requirements by purchasing electricity from Ajmer Vidyut Vitran Nigam Limited. The contract for power consumption is 500 KVA of Dedicated Line from the Sub Station.

Water

We meet our water requirements for our manufacturing process from our own borewell pump.

EXPORT AND EXPORT OBLIGATIONS

Our Company have export obligation as we are currently exporting our products to multiple countries. Certain Capital goods have been imported at concessional duty under various licenses pursuant to the Export Promotion Capital Goods (EPCG) scheme pursuant to which we have availed duty concession to the extent of Rs.1,03,35,429/- on purchase of plant & machinery. As a result we are under an obligation to export products worth US \$ 15,54,199.84 within a period of eight years from the date of license i.e. June 18, 2012.

HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on March 31, 2016 our Company has 34 employees and further our Company has appointed a Company Secretary and Compliance officer on January 1, 2016. We also employ contract labourers for our manufacturing process. Our manpower is a prudent mix of the experienced youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Department wise break up:

Department	No. of employees
Sales & Marketing	3
Production, Operations & Factory Management	23
Design/ QC/ Product testing	3
Accounts & Finance	2
Administration/Purchase	2
Legal & Secretarial	1
Total	34

BUSINESS STRATEGY

Our vision is to grow in existing and new markets by providing quality products. We intend to capitalize on the growing demand for quartz counter slabs and engineered stone in India and abroad. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business.

1. Expand awareness of our premium brand

We intend to build our brand primarily through continued investment in product innovation supported by strong research and development initiatives, marketing activities and the establishment of long-term relationships with distribution partners. In the face of increased competition, we believe that it is critical

that we maintain the advantages that our products offer over our competitors. We aim to introduce new colors and designs to our galaxy product collection.

2. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that, this can be done through continuous process improvement, customer service and technology development.

3. Leveraging our Market skills and Relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

4. Enhancing existing production and product quality

We believe quality service and products of global standards will be of much importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them. We train our employees to consistently design and deliver client focused solutions.

CAPACITY AND CAPACITY UTILISATION

The Productwise capacity is as follows:

Product Name	Unit	Installed	Actual 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19
Resin	Mt	1900	192	1188	1636	1800	1900	1900
Quartz slab	Sq. Ft.	1500000	Nil	259864	375345	500000	600000	700000
Quartz powder	Mt	4500	54	1432	3574	4000	4500	4500

Projected capacity is due to increase of business operations and within the existing installed capacity

COMPETITION

We face competition from various domestic and international players. The industry is also unorganized and fragmented with many small and medium-sized companies and entities.

On a regional basis, a plethora of peers compete with us in all of our geographic markets. Due to industry's fragmented nature, there is no authentic data available to our Company on total industry size and markets share of our Company vis-a-vis the competitors.

MARKETING

We have been focusing on supplying our products to international and domestic market. We believe our relationship with the clients is strong and established as we receive repeat order flows. Our marketing team is ready to take up challenges so as to scale new heights. We intend to expand our existing customer base by developing dealer network across the country.

INTELLECTUAL PROPERTY

We have not registered any intellectual property.

INSURANCE

We have taken different insurance policies, brief details of which are as under:

Sr. No.	Policy No.	Policy Details	Property Insured	Premium (Rs.)	Date of expiry of policy	Insurance Amount (Rs.)
1	1416001115P110039119	Standard fire and special perils policy	Building, plant and machinery	23,922.50	26/11/2016	1,36,700,000

PROPERTY

I. Land taken on Lease/Rent by the Company

Sr. No.	Location of the property	Document and Date	Licensor / Lessor	License Rent / License Fee	Lease / License period		Purpose
					From	To	
1	Village Vana, Gram Panchayat, tehsil vallabh Nagar, District-Udaipur (Rajasthan)	Lease deed dated January 1, 2013	Shiva Explosives India Pvt. Ltd.	24,000/- p.a	January 1, 2013	December 31, 2028	Manufacturing Plant
2	8, Bhatt Ji Baari, Udaipur – 313001	Rent agreement	Suresh Upadhyay	1,44,000/- p.a.	April 1, 2016	March 31, 2019	Registered Office

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Letter of offer, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the business industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled *“Government and Other Statutory Approvals”* beginning on page number 149 of this Draft Letter of offer.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS / REGULATIONS

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time ("MSMED Act") seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

- a) where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise;
- b) where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise;
- c) Where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ("Council"). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organize such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this act.

Legal Metrology Act, 2009

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec. 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

Anti-Trust Laws

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act")

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Provident Fund Scheme, 1952

The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Fund Scheme, 1952. The Chairman of the Central Board shall call a meeting of the Board for the purpose of election to the Executive Committee of the members representing the employer or the employees as the case may be. In case of meetings a notice of not less than 15 days from the date of posting with all the required details of the meeting shall be dispatched by registered post or by special messenger to each trustee or the member of committee that are present in India. The provisions relating to Chairman presiding over the meeting or Quorum or nomination of the business are laid down under the scheme. A previous sanction of the Central Government for undertaking any work by the Central provident fund commissioner and the financial adviser. The act gives an express provision for classes of employees and membership of the fund.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employees' State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1976

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Stone Breaking and Crushing as well as Graphite powdering and incidental processing industries and as per Part B of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

TAX RELATED LEGISLATIONS

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Central Sales Tax Act (“CST”)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Value Added Tax (“VAT”)

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Rajasthan Value Added Tax Act, 2003 (“Rajasthan VAT”)

The act extends to the whole of Rajasthan. The term ‘Business’ includes i) any trade, commerce or manufacture; or (ii) any adventure or concern in the nature of trade, commerce or whether or not such trade, commerce, manufacture, adventure or concern is carried on with a motive to make gain or profit, and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure or concern; or (iii) any transaction in connection with or incidental to or ancillary to such trade, commerce, manufacture, adventure or concern; or (iv) Any transaction in connection with or incidental or ancillary to the commencement or closure of such business; or (v) any occasional transaction in the nature of such trade, commerce, manufacture, adventure or concern whether or not there is volume, frequency, continuity or regularity of such transaction.

The tax is levied on 1) every dealer a) who is an importer of goods; or b) who is a manufacturer of goods and whose annual turnover exceeds rupees two lakhs; or (c) whose annual turnover exceeds rupees ten lakhs, shall be liable to pay tax under this Act 2) Notwithstanding anything contained in sub-section (1) a dealer other than that enumerated in clause (a) or clause (b) of sub-section (1) or the dealer or class of dealers as may be notified by the State Government}, who purchases goods from a registered dealer of the State and sells such goods within the State, may opt for payment of tax on his turnover excluding the turnover of the goods specified in Schedule I, at the rate as may be notified under sub-section (3) of section 4, subject to the condition that such annual turnover does not exceed rupees seventy five lakhs} in a year. (3) Notwithstanding anything contained in sub-sections (1) and (2) every casual trader shall be liable to pay tax under this Act. (4) Notwithstanding anything contained in sub-sections (1) and (2) every person, other than a casual trader or a registered dealer, who carries on business temporarily for a period not exceeding one hundred twenty days in a year, shall be liable to pay tax under this Act in the manner as may be prescribed. (5) A dealer registered under the Central Sales Tax Act, 1956 (Central Act No. 74 of 1956) who is not liable to pay tax under sub-sections (1) to (4), shall nevertheless be liable to pay tax in accordance with the provisions of this Act. (6) Notwithstanding anything contained in this Act, a dealer registered under this Act shall so long as his certificate of registration remains in force is liable to pay tax, irrespective of his turnover.

Every dealer liable to pay tax shall get himself registered by submitting an application to the authority competent to grant registration, in such form and in such manner and within such time as may be prescribed. The authorities after making necessary inquiry grant a certificate of registration in the prescribed form. The certificate so granted shall be effective from the date the dealer becomes liable to pay tax. The Certificate shall not be transferable and shall remain valid until cancelled. The company has obtained this Certificate of Registration under the Rajasthan VAT Act.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

OTHER LAWS

The Factories Act, 1948

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the

details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

APPROVALS FROM LOCAL AUTHORITIES

Setting up of a factory or a manufacturing or housing unit entails that the requisite planning approvals are obtained from the relevant local Panchayats outside the city limits and the appropriate metropolitan 173 development authority within the city limits. Consents from the State Pollution Control Board/s, the relevant State Electricity Board/s and the State Excise Authorities (Sales Tax) are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

ENVIRONMENTAL LEGISLATIONS

The Company is subject to Indian laws and regulations concerning environmental protection, in particular, the discharge of effluent water and solid particulate matter during its manufacturing processes. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of pollution) Cess Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. Further, environmental regulations require a company to file an Environmental Impact Assessment ("EIA") with the State Pollution Control Board ("PCB") and the Ministry of Environment and Forests ("MEF") before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact that a particular project might have on the environment is carefully evaluated before granting clearances. When granting clearance, conditions may be imposed and the approving authorities may direct variations to the proposed project. The PCBs located across the various states in India monitor compliance with the applicable environmental regulations. No industrial or production facility may operate without a valid authorisation or consent from the jurisdictional PCB. PCBs routinely inspect industrial and production facilities, to monitor compliance with applicable environmental standards and regulations, including the provisions of the Water Act and the Water Access Act. PCBs are also empowered to grant authorisation for the collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. Violations of relevant environmental regulations are punishable by monetary fines and imprisonment for company officers and controlling persons. The authorities are further empowered to shut down operations of a defaulting concern.

The Environment Protection Act, 1986 ("Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or

other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Patents Act, 1970
- The Copyrights Act, 1957
- The Trademarks Act, 1999
- The Information Technology Act, 2000

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

In light of the changes in trade and commercial practices, globalisation of trade, the need for simplification and harmonisation of trademark registration systems etc., the Indian Parliament undertook a comprehensive review of the Trade and Merchandise Marks Act, 1958 and replaced the same with the a new legislation viz. the Trade Marks Act, 1999. This Act makes trademarks law compatible with TRIPs and also harmonises it with international systems and practices. The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description.

The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

The Information Technology (“IT”) Act, 2000

This Act aims to provide the legal infrastructure for e-commerce in India. And the cyber laws have a major impact for e-businesses and the new economy in India. So, it is important to understand what are the various perspectives of the IT Act, 2000 and what it offers. The Information Technology Act, 2000 also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of

contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Income Tax Act 1961, The Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, Sale of Goods Act 1930, Indian Stamp Act 1899, Indian Registration Act 1908 and Consumer Protection Act 1986 are also applicable to the company.

POLICIES APPLICABLE

THE FOREIGN DIRECT INVESTMENT

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2015 (“**FDI Policy 2015**”), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force and effect as on May 11, 2015. However, press note 4 of (2015 Series), dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. Further, DIPP has issued a press note No. 12 (2015 Series) dated November 24, 2015 which introduces a few changes in the consolidated FDI Policy issued on May 12, 2015, and as amended from time to time. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, the consolidated FDI Policy 2015 will be valid until the DIPP issues an updated circular.

Under the current consolidated FDI Policy of 2015, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page no. 21 of this Draft Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 21, 104 and 139 respectively, of this Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to Shiva Granito Export Limited and Group Entities as the case may be.

Overview

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Shiva Export Co." pursuant to a deed of partnership dated July 16, 2007. The constitution and capital of the partnership firm were changed several times pursuant to supplementary agreement modifying the partnership deeds dated October 11, 2008, April 1, 2015 and November 3, 2015. M/s Shiva Export Co. was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 with the name of "Shiva Granito Export Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Jaipur, Rajasthan on December 31, 2015. The Corporate Identification Number of our Company is L14200RJ2015PLC048974. The registered office of our Company is situated at 8, Bhatt Ji Ki Baari, Udaipur - 313001, Rajasthan.

Our Company started as partnership firm in the year 2007 as importer and exporter of all kind of decorative stones, minerals, chemicals. Later it decided to extend its operation by entering into manufacturing of the engineered quartz stone slabs, different grades of resins and quartz stone powder and manufacture & dealing of God & Goddess Statues/deities.

Spread over 4.1 bighas, our manufacturing facility located at **Vana Village** in **Udaipur** District, Rajasthan, our Company's manufacturing unit is equipped with laboratory, enabling the company in house to develop new colours, besides facilitating conducting of tests and analysis of various products. At present we have manufacturing plant for engineered quartz stone slabs, different grade of resins, quartz powder and God & Goddess Statues/dieties.

Equity shares of the Company are listed on BSE Limited.

OUR COMPETITIVE STRENGTHS:

- Wide range of products
- Efficiency
- Recently set up manufacturing infrastructure
- Dedicated management team
- Focus on quality and innovation

OUR STRATEGIES:

- Expand awareness of our premium brand
- Improving functional efficiency
- Leveraging our Market skills and Relationship
- Enhancing existing production and product quality

COMPETITION:

We face competition from various domestic and international players. The industry is also unorganized and fragmented with many small and medium-sized companies and entities.

On a regional basis, a plethora of peers compete with us in all of our geographic markets. Due to industry's fragmented nature, there is no authentic data available to our Company on total industry size and markets share of our Company vis-a-vis the competitors.

Approach to marketing and marketing set-up:

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our Management Team through his vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into their other additional needs and requirements. We are located in Udaipur, which has its location advantage due to proximity to other cities across Rajasthan. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc. provided by the companies for which we are retailing.

OUR MANAGEMENT

Board of Directors

The Articles of Association require our Board to have at least 3 (Three) Directors and not more than 15 (Fifteen) Directors. Our Board presently comprises of 5 (Five) directors, which consists of 1 (One) Executive Director, 2 (Two) Non – Executive and Non - Independent Director and 2 (Two) Non – Executive and Independent Directors.

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

Sr. No.	Particulars (Name, Designation, Address, Age, Occupation, Nationality, Term etc.)	Date of Appointment	DIN	Other Directorships
1.	Mr. Abhinav Upadhyay S/o. Suresh Upadhyay DOB: 29/07/1985 (37 years) Address: 8, Bhatt Ji Ki Baari Udaipur Udaipur – 313001, Rajasthan Nationality: Indian Occupation: Business Designation: Managing Director Term: Upto five years commencing from August 18, 2021.	18/08/2021	01858391	1. Shiva Explosives India Private Limited 2. Semicon Technology India Private Limited 3. Jagat Explosives Private Limited 4. Neros Stones Private Limited
2.	Ms. Asha Upadhyay D/o. Bhagwan Lal Sukhwai DOB: 17/10/1959 (63 years) Address: 8, Bhatt Ji Ki Bari, Udaipur Shastri Circle, Udaipur – 313001, Rajasthan Nationality: Indian Occupation: Business Designation: Non – Executive and Non - Independent Director	15/01/2016	07396269	NIL
3.	Ms. Rachna Upadhyaya W/o. Abhinav Upadhyay DOB: 28/03/1991 (31 years) Address: 8, Bhatt Ji Ki Bari, Udaipur – 313001, Rajasthan Nationality: Indian Occupation: Business Designation: Non – Executive and Non - Independent Director	29/09/2017	07617468	1. Semicon Technology India Private Limited 2. Jagat Explosives Private Limited 3. Neros Stones Private Limited
4.	Mr. Vishal Jain S/o. Navneet Lal Jain DOB: 31/05/1992 (30 years) Address: 2 Ka 18 Gayatri Nagar, Hiran Magri, Sector – 5, Udaipur – 313002, Rajasthan Nationality: Indian Occupation: Service Designation: Non – Executive and Independent Director Term: Upto five consecutive years commencing from July 03, 2020	03/07/2020	08742529	NIL

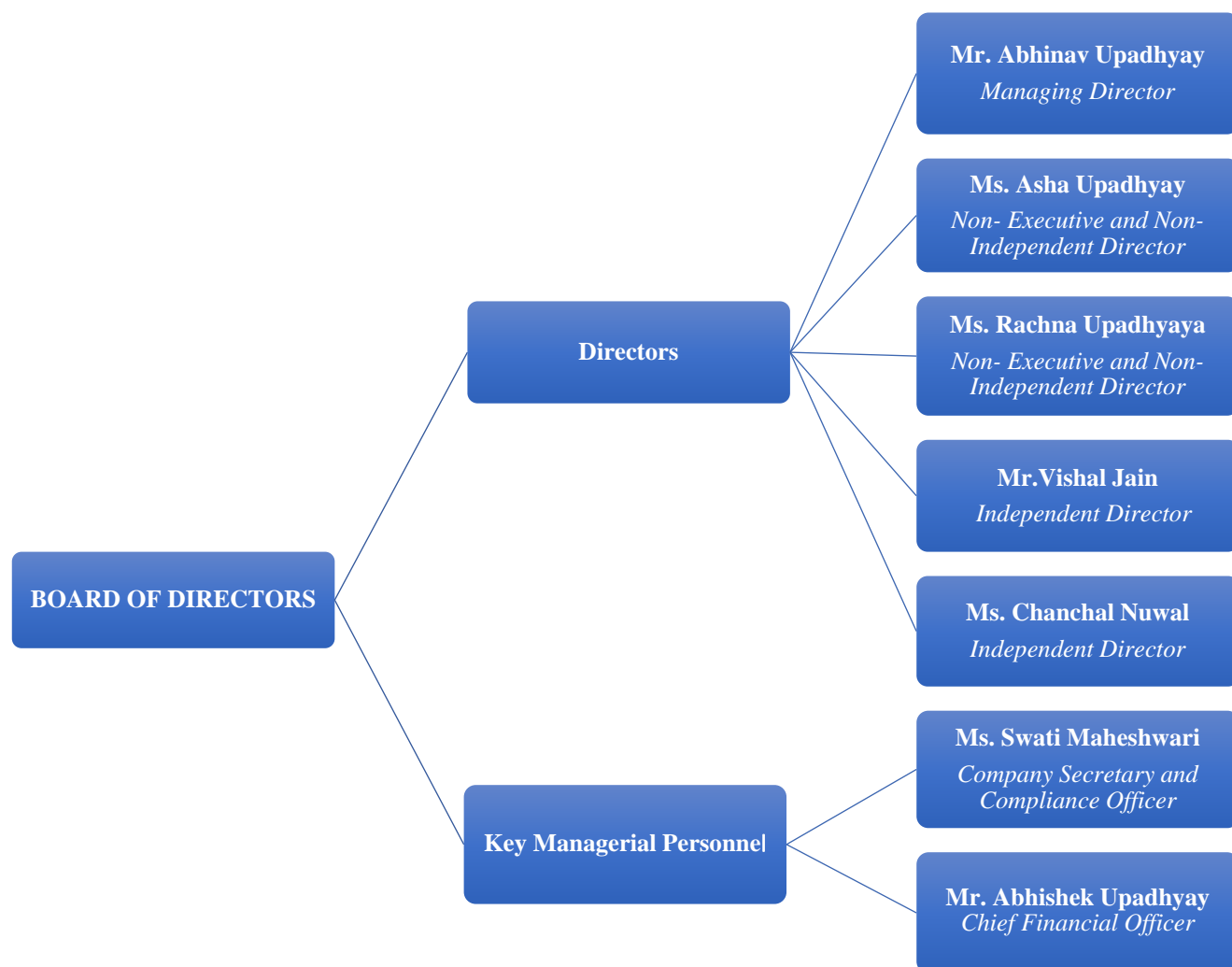
5.	Ms. Chanchal Nuwal D/o. Puran Mal Nuwal DOB: 07/10/1992 (30 years) Address: Sadar Bajar, Arni, Chittorgarh – 312203, Rajasthan Nationality: Indian Occupation: Self Employed Designation: Non – Executive and Independent Director Term: Upto five consecutive years commencing from July 03, 2020	03/07/2020	08777592	NIL
----	---	------------	----------	-----

Family Relationship between our Directors

None of the directors of our Company have family relationship with each other *except the following:*

Sr. No.	Name of Director	Name of other director	Relation
1.	Abhinav Upadhyay	Asha Upadhyay	Son - Mother
		Rachna Upadhyaya	Husband - Wife
2.	Asha Upadhyay	Abhinav Upadhyay	Mother - Son
		Rachna Upadhyaya	Mother in law – Daughter in law
3.	Rachna Upadhyaya	Abhinav Upadhyay	Wife – Husband
		Asha Upadhyay	Daughter in law – Mother in law

ORGANIZATIONAL STRUCTURE



Details of Key Management Personnel

Except our Managing Director, following are the Key Managerial Personnel:

Sr. No.	Name, designation and date of appointment
1.	Ms. Swati Maheshwari Designation: Company Secretary and Compliance Officer Date of appointment: 01/10/2016
2.	Mr. Abhishek Upadhyay Designation: Chief Financial Officer Date of appointment: 18/08/2021

Confirmations

- None of our Directors / Manager is or was a Director of any Listed Company during the last five years preceding the date of filing of the Draft Letter of Offer, whose shares have been or were suspended from being traded on BSE / NSE within a period of 5 (Five) years immediately preceding the date of this Letter of Offer.
- Further, none of our Directors of the Company are or were associated in the capacity of a director with any Listed Company which has been delisted from any stock exchange(s) in the last 10 years immediately preceding the date of filing of this Draft Letter of Offer.
- None of our Directors is or was a director of any Listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- None of the Directors of our Company has been declared as a wilful defaulter, as defined by the SEBI ICDR Regulations. There are no violations of securities laws committed by our Directors in the past and no such proceedings are pending against them.

SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page [●] Number
1	The limited review report and unaudited Financial Results for the Quarter ended on 30 th September, 2022	105
2	The Statutory Auditor's Report and the Audited Financial Statements for the period ended 31 st March, 2022.	109

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2022 till date of this Draft Letter of Offer. We have not given Restated Financials because we fall under Part B of SEBI (ICDR), 2018.

[THE REMAINDER OF THIS PAGE [●] HAS INTENTIONALLY BEEN LEFT BLANK]

SHIVA GRANITO EXPORT LIMITED				
Regd. Office : 8, Bhatt Ji Ki Baari, Udaipur - 313001 (Rajasthan) CIN L14200RJ2015PLC048974				
Tel. : 0294-2418228 : Website : www.shivaexport.in E-Mail : shivaexport@gmail.com				
STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2022				
		(Rs. in Lacs)		
Particulars		Half Year ended		Year Ended
		30.09.2022	30.09.2021	31.03.2022
A	Date of start of reporting period	01.04.2022	01.04.2021	01.04.2021
B	Date of end of reporting period	30.09.2022	30.09.2021	31.03.2022
C	Whether results are audited or unaudited	Unaudited	Unaudited	Audited
D	Nature of report standalone or consolidated	Standalone	Standalone	Standalone
I	Revenue From Operation			
	(a) Net Sales/Revenue from Operations	265.12	325.09	801.03
	(b) Other Operating Revenue	-	-	-
II	Other Income	0.03	2.55	4.21
III	Total Revenue (I+II)	265.12	327.63	805.24
IV	Expenses			
	a. Cost of materials consumed	259.14	129.73	351.30
	b. Purchase of stock-in-trade	13.86	19.89	38.78
	c. Changes in inventories of Finished Goods, WIP & Stock in Trade	-150.69	22.62	27.30
	d. Employees benefit expenses	36.66	36.96	213.48
	e. Financial Cost	14.57	16.06	35.02
	f. Depreciation and amortisation expenses	0.00		70.87
	g. Other Expenses	71.19	74.67	149.95
	Total Expenses	244.83	259.92	800.08
V	Profit/(Loss) before Exceptional items, Extraordinary Item and Tax (III-IV)	20.29	27.71	85.69
VI	Exceptional items	0	0	0
VII	Profit/(Loss) before Extraordinary Items and Tax (V-VI)	20.29	27.71	18.54
VIII	Extraordinary Item	0	0	0
IX	Profit/(Loss) before Tax (VII-VIII)	20.29	27.71	18.54
X	Tax Expenses - Current Tax	0.00	4.32	2.89
	- Deferred Tax Charge/(Credit)	0.00	0	-5.15
XI	Not Profit/(Loss) for the period from Continuing Operations (IX-X)	20.29	23.39	10.50
XII	Profit/(Loss) from Discontinuing Operations	-	-	-
XIII	Tax Expenses of Discontinuing Operations	-	-	-
XIV	Net Profit/(Loss) for the period from Discontinuing Operations (XII-XIII)	-	-	-
XV	Net Profit/(Loss) for the period	20.29	23.39	10.50
XVI	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	1321.51	1321.51	1321.51
XVII	(a) Basic	0.15	0.18	0.08
	(b) Diluted	0.15	0.18	0.08



STANDALONE STATEMENT OF ASSETS & LIABILITIES AS AT 30TH SEPTEMBER, 2022			
(Rs. in Lacs)			
	PARTICULARS	As at	
		30.09.2022	31.03.2022
		Un-audited	Audited
	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Property, Plant and Equipment	553.01	464.77
	(b) Capital Work in Progress	-	-
	(c) Investment in Property	-	-
	(d) Goodwill	-	-
	(i) Investments	-	-
	(ii) Loans	0.00	32.77
	(iii) Other Financial Assets	36.21	41.01
	(e) Deferred Tax Assets	26.54	26.54
	(f) Other non-current assets	13.51	24.22
	TOTAL NON - CURRENT ASSETS (A)	629.28	589.31
2	CURRENT ASSETS		
	(a) Inventories	582.18	371.53
	(b) Financial Assets		
	(i) Investments		
	(ii) Trade Receivables	1048.40	1323.32
	(iii) Cash and Cash Equivalents	11.71	0.49
	(iv) Loans	0.00	49.98
	(v) Others Financial Assets	5.41	1.92
	(c) Other Current Assets	58.69	16.20
	TOTAL CURRENT ASSETS (B)	1706.39	1763.45
	TOTAL - ASSETS (A+B)	2335.68	2352.76
	EQUITY AND LIABILITIES		
1	EQUITY :		
	(a) Equity Share Capital	1321.51	1321.51
	(b) Other Equity	122.67	102.37
	Total Equity (A)	1444.17	1423.88
	LIABILITIES		
2	NON-CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings		
	(ii) Other Financial Liabilities	25.89	31.36
	(b) Other non - current Liabilities	0.50	2.55
	(c) Provisions		
	(d) Deferred Tax Liabilities (Net)		
	Total Non Current Liabilities (B)	26.39	33.91
3	CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	414.78	504.60
	(ii) Trade Payables		
	(1) Due to Micro & Small Enterprises	106.36	113.02
	(2) Due to Others	302.27	232.45
	(iii) Other Financial Liabilities	15.68	33.73
	(b) Other Current Liabilities	26.02	8.28
	(c) Provisions	0.00	2.89
	(d) Current Tax Liabilities		
	Total Current Liabilities (C)	865.12	894.98
	Total Liabilities (B+C)	891.51	928.88
	Total Equity and Liabilities (A+B+C)	2335.68	2352.76

Notes:-

- The above Standalone financial results of Shiva Granito Export Limited for the half year ended September 30, 2022 have been reviewed by the Audit Committee and subsequently approved and taken on records by the Board of Directors of the Company at their meeting held on November 14, 2022. The Statutory Auditor have carried out audit of the above financial results and Limited Review Report is annexed herewith.
- The company's business activities falls within a single business segment (Manufacturing Quartz Powder, Resin & Slabs).
- No investors' complaint was pending at the beginning & end of the Quarter.
- The figures of previous half year have been regrouped/rearranged, wherever required.
- As this is Unaudited Financial Statements, Hence Depreciation and provision for Deferred Tax shall be provided at the Audited financial Statement.

For and on behalf of Board of Directors
For Shiva Granito Export Ltd.

(Abhinav Upadhyay)
Managing Director

Date : 14.11.2022
Place : Udaipur

Cash Flow Statement for the Half Year Ended 30th September 2022			
	Particulars	Rs. In Lacs	
		30 th Sept 2022	30 th Sept 2021
		Unaudited	
A	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	20,29,422.00	27,71,112.00
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	0	0
	Finance Cost	14,57,244.00	16,05,645
	Adjustments for unrealised foreign exchange Losses / (Gains)		27,736
	Interest received		(1,80,707.00)
	Other Inflow/ (Outflows) of Cash	(12,88,542.00)	(4,85,800.00)
	Operating profits before Working Capital Changes	21,98,124.00	37,37,986.00
	Adjusted For:		
	(Increase) / Decrease in trade receivables	9,81,93,859.00	50,38,109.00
	Increase / (Decrease) in trade payables	2,70,01,393.00	(51,39,854.00)
	(Increase) / Decrease in inventories	(3,13,73,306.00)	1,20,57,547.00
	Increase / (Decrease) in other current liabilities	(69,36,518.00)	91,02,630.00
	(Increase) / Decrease in Short Term Loans & Advances	(6,54,863.00)	20,98,400.00
	(Increase) / Decrease in other current assets	(56,51,169.00)	5,72,794.00
	Cash generated from Operations	8,27,77,520.00	2,74,67,612.00
	Income Tax (Paid) / Refund	(4,32,204.00)	0
	Net Cash flow from Operating Activities(A)	8,23,45,226.00	2,74,67,612.00
B	Cash Flow From Investing Activities		
	Proceeds from tangible assets		49,61,054.00
	Non Current Investments / (Purchased) sold	(2,24,463.00)	(2,12,801.00)
	Interest Received		1,80,707.00
	Cash advances and loans made to other parties	-32,956.00	(25,71,474.00)
	Cash advances and loans received back	57,88,800.00	0
	Other Inflow / (Outflows) of cash	(9,07,54,616.00)	9,67,584.00
	Net Cash used in Investing Activities(B)	(8,52,23,235.00)	33,25,080.00
C	Cash Flow From Financing Activities		
	Finance Cost	(14,57,244.00)	(16,05,645.00)
	Increase in / (Repayment) of Short term Borrowings	1,23,00,175.00	12,33,845.00
	Increase in / (Repayment) of Long term borrowings	(51,94,980.00)	(3,05,26,701.00)
	Net Cash used in Financing Activities(C)	56,47,951.00	(3,08,98,501.00)
D	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	27,69,942.00	(1,05,809.00)
E	Cash & Cash Equivalents at Beginning of period	1,65,911.00	2,71,720.00
F	Cash & Cash Equivalents at End of period	11,71,029.00	1,65,911.00
G	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	10,05,118.00	(1,05,809.00)
H	Difference (F-(D+E))	(17,64,824.00)	6,01,478.00





**LIMITED REVIEW REPORT ON THE UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2022**

The Board of Directors
Shiva Granito Export Limited,
8, Bhatt Ji Ki Baari,
Udaipur (Rajasthan)

"We have reviewed the accompanying statement of Un-audited Standalone Financial Results before depreciation and income tax provision of Shiva Granito Export Limited, Udaipur for the period ended 30th September, 2022 and standalone Un-audited Statement of Assets & Liabilities as at 30th September, 2022 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, as modified by Circular NO. CIR/CFD/FAC/62/2016 dated 5th July 2016. These statements are the responsibility of the Company's Management and has been approved by the Board of Directors at their meeting held on November 14, 2022. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the statement in accordance with the *Standard on Review Engagement (SRE) 2410, Engagement to Review Financial Statements* 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statements prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular NO. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that these contain any material misstatement".

For Nenawati & Associates
Chartered Accountants
(Firm Reg. No. 02148C)



C S Nenawati
Partner
M.No. 071341

Place : Udaipur
Date : November 14, 2022
UDIN: 22071341BDATCU5061

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHIVA GRANITO EXPORT LIMITED Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying **Standalone** Ind AS financial statements of Shiva Granito Export Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the **Standalone** Ind AS financial Statements including a summary of the significant accounting policies and other explanatory information

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

Basis for Opinion

We conducted our audit of the **Standalone** Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the **Standalone** Ind AS 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** Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Ind AS Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the

accounting principles generally accepted in India including the Indian Accounting Standards(Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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** Ind AS financial statements, management is 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements.

Our objectives are to obtain reasonable assurance about whether the **Standalone** Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- ☐ Identify and assess the risks of material misstatement of the **Standalone** Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the **Standalone** Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the **Standalone** Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the **Standalone** Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid **Standalone** Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these **Standalone** Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration for the year ended March 31, 2022 has been paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its **Standalone** Ind AS financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief ,no fund have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds)by the company to or in any other person(s) or entity(ies), including foreign entities(“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries.
 - b) The management has represented that, to the best of its knowledge and belief , no fund have been received by the company from any person(s) or entity(ies), including foreign entities(“funding parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party(“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.
- (v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For NENAWATI & ASSOCIATES
Chartered Accountants
(Firm’s Registration No. 002148C)

Place: Udaipur
Dated: 30/05/2022
UDIN: 22071341AKSZPB2644

(C.S.Nenawati)
Partner
Membership No. 071341

ANNEXURE ‘1’ TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our
Report to the Members of Shiva Granito Export Limited of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company’s Property, Plant and Equipment.

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
- (b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification during the year.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except land Rs 7.75 Lakhs still in the name of firm Shiva Export Company which was converted in to this company The company has constructed building over land taken on lease. There is no dispute on the same.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

ii. a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.

- b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company

iii. During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable, hence the requirement to report compliance with section 185 is not applicable on the Company. Further, according to the information and explanations given to us, provisions of sections 186 of The Companies Act, 2013 in respect of investments have been complied with by the Company. The transaction have been disclosed in notes to financial statement.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company

- vi. As explained to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the order are not applicable to the Company.
- vii. a) According to the information and explanations given to us, in respect of statutory dues:
The Company is generally regular in depositing undisputed statutory dues including Sales Tax, Service tax, Duty of Customs, duty of Excise, Value Added Tax, GST, Cess and other statutory dues with the appropriate authorities to the extent applicable to it except Income Tax.
- There are no undisputed amounts payable in respect of service tax, sales tax, value added tax, duty of customs, duty of excise or cess which have remained outstanding as at March 31, 2022 for a period of more than 6 months from the date they became payable except Income Tax *for the year ended 31st March 2019, 2020 and 2021 of Rs 908396, 247250 and 244698 respectively.*
Provident Fund Act and State Insurance Act is not applicable to the Company as reported
- b) According to the information and explanations given to us, there are no any statutory dues referred in sub-clause
- (a) Which have not been deposited on account of any dispute. Therefore, the provisions of Clause (vii)(b) of paragraph 3 of the order are not applicable to the Company
- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us, the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (d) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company

- xi (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) As auditor, we did not receive any whistle - blower complaint during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) & (c) of the Order is not applicable to the Company.
- (xiii) 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 notes to the financial statements, as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a),(b),(c) & (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There is not liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.
- (xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company
- (xxii) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For NENAWATI & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 002148C)

Place: Udaipur
Dated: 30/05/2022
UDIN: 22071341AKSZPB2644

(C.S. Nenawati)
Partner
Membership No. 071341

ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Shiva Granito Export Limited of even date)

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

We have audited the internal financial controls over financial reporting of **SHIVA GRANITO EXPORT LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting with reference to these standalone financial statements 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to these standalone Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these standalone Ind AS financial statements:

A company’s internal financial control over financial reporting with reference to standalone Ind As financial statements, is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of

the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting with reference to Standalone Ind AS financial statements:

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

Opinion

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

For NENAWATI & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 002148C)

Place: Udaipur
Dated: 30/05/2022
UDIN: 22071341AKSZPB2644

(C.S. Nenawati)
Partner
Membership No. 071341

SHIVA GRANITO EXPORT LIMITED

Standalone Balance Sheet as at 31st March, 2022

(Rs in 100)

PARTICULAR	NOTES	As at 31st March 2022	As at 31st March 2021
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	1	464767	535641
(b) Capital work-in-progress			
(c) Investment in Property			
(d) Goodwill			
(e) Other intangible asset			
(f) Intangible assets under development			
(g) Biological Assets Other than bearer Assets			
(d) Financial assets			
(i) Investments			
(ii) Loans	2	32768	33008
(iii) Trade receivable	6	882863	993756
(iv) Other financial assets	3	41013	38054
(e) Deferred tax assets		26545	31692
(f) Other non current asset	4	34222	14492
Total non-current assets		1472177	1848862
Current assets			
(a) Inventories	5	371531	294640
(b) Financial assets			
(i) Investments			
(ii) Trade receivables	6	440459	382041
(iii) Cash and cash equivalents	7	490	1986
(iv) Bank balance other than iii above			
(v) Loans	2	49984	0
(vi) Others	3	1921	12503
(c) CURRENT TAX ASSETS			
(d) Other current assets	4	16199	20122
Total current assets		880684	711282
Total assets		2352861	2367944
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1321505	1321505
(b) Other equity		102372	91870
Total equity		1423877	1413375
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) borrowings	9	0	102345
(ia) Lease Liabilities			
(ii) Trade payables	11	121478	240336
(iii) Other financial liabilities	10	31357	19686
(b) Other non-current liabilities	12	2548	
(c) Provisions			
Total non-current liabilities		166383	382386
Current liabilities			
(a) Financial liabilities			
(i) borrowings	9	504596	445384
(ia) Lease Liabilities			
(ii) Trade payables	11	223997	33830
(iii) Other Financial Liabilities	10	33730	57561
(b) Other current liabilities	12	8284	42982
(c) Provisions			
(d) Current tax liabilities Income Tax	13	2893	2447
Total current liabilities		778601	682204
Total equity and liabilities		2352861	2367944

See accompanying notes to financial statements.

As per our report on even date

For Nenswari & Associates

Chartered Accountants

FRN 02148C

For and on Behalf of the Board of Directors

sd/-
(C S Nenswari)
Partner
M.No. 071341

sd/-
(Abhinav Upadhyay)
Managing Director
DIN 01858391

sd/-
(Asha Upadhyay)
Director
DIN 07396269

sd/-
(Rachna Upadhyay)
Director
DIN 07517468

Place: Udaipur
Date: 30.05.2022
UDIN: 22071841AK&ZPB2844

sd/-
(Abhishek Upadhyay)
CFO

sd/-
(Swati Maheshwari)
Company Secretary
ICSI Membership No. A-45405

Standalone Statement of Profit and Loss for the year ended 31st March,2022

(Rs in 100)

INCOME	NOTE	31st March 2022	31st March 2021
REVENUE FROM OPERATION	14	901,025	637,177
OTHER INCOME	15	4,211	8,935
Total Income		905,236	546,112
EXPENDITURES			
Cost of material consumed	16	351,299	180,132
Purchase of stock-in-trade		38,781	1,856
Changes in inventories of finished goods, work in progress and stock in trade	17	27,301	54,995
Employee benefit expense	18	213,475	122,816
Financial cost	19	35,017	60,690
Depreciation and amortisation expense		70,874	81,199
Other expenses	20	149,947	128,738
Total Expenses		886,694	630,427
Profit before exceptional items and tax		18,542	15,685
Exceptional items			
Profit before tax		18,542	15,685
TAX EXPENSES:			
1) Current tax		2,893	2,447
2) Deferred tax Assets/(liabilities)		(5,147)	(13,395)
Profit/(loss) from the period from continuing operations		10,503	(157)
Profit/(loss) from discontinuing operation		-	-
Tax expenses of discontinuing operations		-	-
Profit/(loss) from discontinuing operations		-	-
Profit/(loss) for the year		10,503	(157)
Other Comprehensive (loss)/income			
(A) Items that will not be reclassified to profit or loss in subsequent period			
(B) Items that will be reclassified to profit or loss in subsequent period			
Total comprehensive income/(loss) for the year		10,503	(156)
EARNING PER EQUITY SHARE:			
1) Basic		0.00079	(0.00001)
2) Diluted			

See accompanying notes to financial statements.

As per our report on even date

For **Nenawati & Associates**

Chartered Accountants

FRN 021480

For and on Behalf of the Board of Directors

sdi-
(C S Nenawati)
Partner
M.No. 071341

sdi-
(Abhinav Upadhyay) (Asha Upadhyay)
Managing Director Director
DIN 01858391 DIN 07396269

sdi-
(Rachna Upadhyay)
Director
DIN 07517468

Place Udaipur
Date 30.05.2022
UDIN 22071341AK5ZPB2844

sdi-
(Abhishek Upadhyay)
CFO

sdi-
(Swati Maheshwari)
Company Secretary
ICSI Membership No. A.45405

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2022

	PARTICULARS	31st March 2022	31st March 2021
A.	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	18542.32	15685.81
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	70874	81199
	Finance Cost	35017	60690
	Adjustments for unrealised foreign exchange Losses / (Gains)	277	6015
	Interest received	3467	2712
	Operating profits before Working Capital Changes	121245	148849
	Adjusted For:		
	(Increase) / Decrease in trade receivables	58418	84117
	Increase / (Decrease) in trade payables	190166	147804
	(Increase) / Decrease in inventories	76891	86732
	Increase / (Decrease) in other current liabilities	58528	78947
	(Increase) / Decrease in Short Term Loans & Advances	22170	4301
	(Increase) / Decrease in other current assets	2639	6057
	Cash generated from Operations	98042	240384
	Income Tax (Paid) / Refund	2447	2473
		95595	237911
	Cash advances and loans received back		240.00
	Other Inflow / (Outflows) of cash	3466	56139
	Net Cash used in Investing Activities(B)	19220	24952
C.	Cash Flow From Financing Activities		
	Finance Cost	35017	60690
	Increase in / (Repayment) of Short term Borrowings	59214	19378
	Increase in / (Repayment) of Long term borrowings	102345	215837
	Net Cash used in Financing Activities(C)	78148	257149
D.	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	1773	5715
E.	Cash & Cash Equivalents at Beginning of period	1988	2288
F.	Cash & Cash Equivalents at End of period	490	1988
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	1496	300
H.	Difference (F-(D+E))	277	6015

The accompanying notes are an integral part of the financial statements.

As per our report on even date

For Nenawati & Associates

For and on Behalf of the Board of Directors

Chartered Accountants

FRN 021480

Sd/-

(C S Nenawati)

Partner

M.No. 071341

Sd/-

(Abhinav Upadhyay) (Asha Upadhyay)

Managing Director Director

DIN 01858391 DIN 07396269

Sd/-

(Abhishek Upadhyay)

CFO

Sd/-

(Rachna Upadhyay)

Director

DIN 07617468

Sd/-

(Swati Maheshwari)

Company Secretary

Place: Udaipur

Date: 30.05.2022

UDIN 22071341AKSZPB2644

ICSI Membership No A 45405

Note:

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI.
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

SHIVA GRANITO EXPORT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31.03.2022

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year		Balance at the end of the current reporting period	
1321505.00					1321505.00	

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year		Balance at the end of the previous reporting period	
1321505					1321505	

B. Other Equity

(1) Current reporting period

			Reserves and Surplus						
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserve s (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Total
Balance at the beginning of the current reporting period				224000		-132130			91870

Changes in accounting policy/prior period errors									
Restated balance at the beginning of the current reporting period									
Total Comprehensive Income for the current year									
Dividends									
Transfer to retained earnings						10503			10503
Any other change (to be specified)									
Balance at the end of the current reporting period				224000		-121628			102372

(2) Previous reporting period

			Reserves and Surplus						
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Total
Balance at the beginning of the previous reporting period				224000		-131974			92026

Changes in accounting policy/prior period errors									
Restated balance at the beginning of the previous reporting period									
Total Comprehensive Income for the previous year									
Dividends									
Transfer to retained earnings						-156			-156
Any other change (to be specified)									
Balance at the end of the previous reporting period				224000		-132130			91870

See accompanying notes to financial statements

As per our report on even date

For **Nenawati & Associates**

For and on Behalf of the Board of Directors

Chartered Accountants

FRN 02148C

sd/-

(**C S Nenawati**)

Partner

M.No. 071341

sd/-

(Abhinav Upadhyay) (Asha Upadhyay)

Managing Director Director

DIN 01858391 DIN 07396289

sd/-

sd/-

(Rachna Upadhyay)

Director

DIN 07617468

sd/-

(Abhishek Upadhyay)

CFO

sd/-

(Swati Maheshwari)

Company Secretary

ICSI Membership No A 45405

Place Udaipur

Date 30.05.2022

UDIN 22071341AKSZPB2644

SHIVA GRANITO EXPORT LIMITED

01 PROPERTY, PLANT AND EQUIPMENT

1.1 The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Addition	Deduction	Total	Up to 31.03.2021	For the year	Adjustment	Total	As at 31.3.2022	As at 31.3.2021
TANGIBLE ASSETS										
Own Assets :										
Building										
Slab Plant Building	290607			290607	135417	14802		150220	140387	155189
Resin Plant Building	87816			87816	40675	4478		45154	42663	47140
Quartz powder	65862			65862	30319	3377		33696	32166	35542
Plant & machinery										
Quartz powder	23150			23150	16590	1198		17789	0	0
Resin plant	130075			130075	93548	6675		100223	5361	6560
Slab plant	681580			681580	485622	35527		521149	29852	36527
Lab equipment	4495			4495	3852	171		4023	160431	195958
Other Plant & Machinery	36467			36467	24936	2581		27518	472	643
Sanitizer storage Tank	31589			31589				0	8949	11531
High sea Plant & Machinery	3170			3170	2265	517		2782	31589	31589
Electricity Machinery	24800			24800	21197	951		22148	388	905
Other assets "										
Computer	4423			4423	4357	12		4369	2652	3603
Furniture & Fixture	12278			12278	10277	429		10706	54	66
Land	7748			7748	0			0	1572	2001
Vehicals	5004			5004	4380	155		4535	7748	7748
Mobile	280			280	266	0		266	469	624
TOTAL	1409344	0	0	1409344	873703	70874	0	944577	14	14
INTANGIBLE ASSETS										
	0	0			0	0	0	0	0	0
GRAND TOTAL	1409344	0	0	1409344	873703	70874	0	944577	464767	535640
Previous Year	1377755	31589	0	1409344	792504	81199		873703	535641	585251

NOTE :: PROPERTY, PLANT AND EQUIPMENT NOT REVALUED DURING THE YEAR (P.Y. NIL)

SHIVA GRANITO EXPORT LIMITED

1.2 The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Addition	Deduction	Total	Up to	For the	Adjustment	Total	As at	As at
	01.04.2020				31.03.2020	year			31.3.2021	31.3.2020
TANGIBLE ASSETS										
Own Assets :										
Building										
Slab Plant Building	290607			290607	121906	13511		135417	155189	168700
Resin Plant Building	87816			87816	33544	7131		40675	47140	54271
Quartz powder	65862			65862	27241	3078		30319	35542	38621
Plant & machinery										
Quartz powder	23150			23150	15396	1195		16590	6560	7755
Resin plant	130075			130075	81571	11976		93548	36527	48503
Slab plant	681580			681580	450250	35373		485622	195958	231331
Lab equipment	4495			4495	3665	187		3852	643	830
Other Plant & Machinery	36467			36467	19069	5867		24936	11530	17398
Sanitizer storage Tank		31589		31589				0	31589	
High sea Plant & Machinery	3170			3170	1357	908		2265	905	1814
Electricity Machinery	24800			24800	20158	1039		21197	3603	4642
Other assets "										
Computer	4423			4423	4299	59		4357	66	125
Furniture & Fixture	12278			12278	9620	657		10277	2001	2658
Land	7748			7748	0			0	7748	7748
Vehicals	5004			5004	4162	218		4380	624	842
Mobile	280			280	266	0		266	14	14
TOTAL	1377755	31589	0	1409344	792504	81199	0	873703	535640	585251
INTANGIBLE ASSETS										
	0	0			0	0	0	0	0	0
GRAND TOTAL	1377755	31589	0	1409344	792504	81199	0	873703	535640	585251
Previous Year	1371140	6616	0	1377755	730114	62390		792504	585251	641026

SHIVA GRANITO EXPORT LIMITED

1.3 Title Deeds of Immovable Property not held in name of the Company 31.03.2022						
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Land		774795	Shiva Export Co.	The Shiva Export Co. was a partnership firm and all the partner were promoters, as share holder and some are Directors in the company	October 2007	The Shiva Export Co. was a partnership firm and same was acquired by company in December,2015 and converted as Shiva Granito Exports Ltd

SHIVA GRANITO EXPORT LIMITED



Notes on Financial Statements for the year ended 31st March, 2022

2 LOANS			(Rs in 100)
Particulars	31st March, 2022	31st March, 2021	
NON CURRENT			
Unsecured considered good			
(i) Loans to related parties	32,768	33,008	
	<u>32,768</u>	<u>33,008</u>	
CURRENT			
Unsecured considered good			
(a) Interest accrued on deposits			
(i) Loans to related parties	49,984		
Total	<u>49,984</u>	<u>-</u>	
3 OTHER FINANCIAL ASSETS			(Rs in 100)
Particulars	31st March, 2022	31st March, 2021	
NON CURRENT			
Unsecured considered good			
(a) Bank Deposit with more than 12 months maturity			
Kotak Bank Fixed Deposit and accrued interest	30,733	28,489	
(b) Security Deposit	8,996	8,996	
(c) Others			
VAT	330		
Interest accrued on deposit	955	570	
Total	<u>41,013</u>	<u>38,054</u>	
CURRENT			
Unsecured considered good			
(b) Other loans and advances : unsecured considered good			
(i) Income tax TDS	435	2,566	
(ii) vat input		7,770	
(ii) Gst receivable	1,086	1,783	
(a) Interest accrued on deposits	400	385	
Total	<u>1,921</u>	<u>12,503</u>	
4 OTHER NON CURRENT ASSETS			(Rs in 100)
Particulars	31st March, 2022	31st March, 2021	
NON CURRENT			
Other loans and advances : unsecured considered good			
(a) Advance to supplier	24,222	14,492	
Total	<u>24,222</u>	<u>14,492</u>	
(b) Preliminary expenses		2,122	
Share issue expenses		16,812	
Less : Written off		<u>18,934</u>	
		<u>18,934</u>	
Total	<u>24,222</u>	<u>14,492</u>	
4 OTHER CURRENT ASSETS			(Rs in 100)
Particulars	31st March, 2022	31st March, 2021	
(b) Other loans and advances : unsecured considered good			
(i) Prepaid insurance	224	64	
(ii) advances to supplier	15,975	20,058	
Total	<u>16,199</u>	<u>20,122</u>	
5 INVENTORIES			(Rs in 100)
Particulars	31st March, 2022	31st March, 2021	
(As taken, valued and certified by the management)			
Raw Materials and components	141,282	37,466	
Finished goods	226,891	254,191	
Stores and Spares	3,359	2,982	
Total	<u>371,531</u>	<u>294,640</u>	
6 TRADE RECEIVABLES			(Rs in 100)
Particulars	31st March, 2022	31st March, 2021	
NON CURRENT			
Unsecured considered good			
Trade receivable which have significant increase in credit risk	639,046	727,719	
	<u>243,817</u>	<u>288,048</u>	

Trade receivables - credit impaired	882,863	883,788
Provision for doubtful trade receivables	882,863	993,766

CURRENT

Unsecured		
considered good	440,459	382,041
Trade receivable which have significant increase in credit risk		
Trade receivables - credit impaired	440,459	382,041
Provision for doubtful trade receivables	440,459	382,041

TOTAL	1,323,322	1,375,806
--------------	------------------	------------------

(Bad debts written off during the year 28.31 Lakhs)

Trade receivables Ageing Schedule

(Rs in 100)

Particulars	31st March, 2022	31st March, 2021
Un disputed - considered good		
Less than 6 months	377,425	368,065
6 month-1 year	63,033	13,976
1-2 years	95,818	401,052
2-3 years	399,490	206,834
More than 3 years	143,739	119,834
Total	1,079,505	1,109,760

Undisputed which have significant increase in credit risk

6 month-1 year		
1-2 years		
2-3 years		
More than 3 years	243,817	266,046
Total	243,817	266,046

Disputed - considered good

Less than 6 months		
6 month-1 year		
1-2 years		
2-3 years		
More than 3 years		
Total	-	-

Un disputed - Credit Impaired

Less than 6 months		
6 month-1 year		
1-2 years		
2-3 years		
More than 3 years		
Total	-	-

Less Provision for doubtful trade receivables

TOTAL TRADE RECEIVABLES	1,323,322	1,375,806
--------------------------------	------------------	------------------

7: CASH AND CASH EQUIVALENTS

(Rs in 100)

Particulars	31st March, 2022	31st March, 2021
Balances with banks	37	28
Cash in hand	453	1,958
Total	490	1,986

08. EQUITY SHARE CAPITAL

(Rs in 100)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A-Authorised Share Capital:		
140,00,000 Equity Shares of Rs 10/- each	1,400,000	1,400,000
B-Issued, subscribed and Paid up		
13215050 Equity Shares of Rs 10/- each	1,321,505	1,321,505
	1,321,505	1,321,505

C-The details of shareholders holding more than 5 % shares

Name of Share Holders	31st March, 2022	31st March, 2021
Shree Suresh Upadhyay		
No. of shares	86,227	86,227
% of holding	65	65

D-Shares held by promoters at the end of the year 31.03.2022				
Sr. No.	Promoter Name	No. of Shares	% of total Shares	% Change during the year
1	Suresh Upadhyay	86227	65	0
2	Abhishek Upadhyay	173	0	0
3	Abhinav Upadhyay	0	0	0
4	Asha Upadhyay	0	0	0
5	Harshita Upadhyay	0	0	0
6	Rachna Upadhyay	0	0	0
7	Shiva Explosives India Pvt. Ltd.	3750	3	0
Total		90161	68	0

E-Shares held by promoters at the end of the year 31.03.2021				
Sr. No.	Promoter Name	No. of Shares	% of total Shares	% Change during the year
1	Suresh Upadhyay	86227	65	0
2	Abhishek Upadhyay	173	0	0
3	Abhinav Upadhyay	0	0	0
4	Asha Upadhyay	0	0	0
5	Harshita Upadhyay	0	0	0
6	Rachna Upadhyay	0	0	0
7	Shiva Explosives India Pvt. Ltd.	3750	3	0
Total		90161	68	0

09 BORROWINGS (Rs in 100)

Particulars	31st March, 2022	31st March, 2021
NON CURRENT		
UnSecured		
Loans from Directors and related parties	-	102,345
Total	-	102,345
CURRENT		
Secured		
Working Capital Loan from Bank	250,056	252,385
(Working capital loan from Bank of Baroda is secured by present & Future hypothecation of all stock,book debts and collateral security)		
Term loan and overdraft from Bank	10,796	18,929
UnSecured		
Loans from Directors and related parties	243,746	174,070
Total	504,598	445,384

10 OTHER FINANCIAL LIABILITIES (Rs in 100)

Particulars	31st March, 2022	31st March, 2021
NON CURRENT		
Expenses creditor (including MSME creditor 376583)	13,491	6,871
Income tax interest payable	4,361	1,258
Income tax liabilities	13,504	11,556
Total	31,357	19,686
CURRENT		
(a) Other Payables		
(i) Other liabilities and expenses payable	30,351	55,951
GST Payable	208	402
TDS/TCS payable	163	1,207
Expenses creditor (including MSME Creditor 159651)	3,008	-
Total	33,730	57,560

11 TRADE PAYABLES (Rs in 100)

Particulars	31st March, 2022	31st March, 2021
NON CURRENT		
(i) Total outstanding dues of Micro, Small and Medium Enterprises	80,283	117,604
(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	41,186	122,732
(iii) Due to related parties		
Total	121,478	240,336
CURRENT		
(i) Total outstanding dues of Micro, Small and Medium Enterprises	32,740	20,226
(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	191,257	13,605
(iii) Due to related parties		
Total	223,997	33,830

	(Rs in 100)	
Trade payables Ageing Schedule	31st Maroh. 2022	31st Maroh. 2021
Undisputed dues - Micro enterprises and small enterprises		
Less than 1 year	32,740	20,226
1-2 years	11,364	71,093
2-3 Years	30,901	28,254
More than 3 years	38,017	18,257
Total	113,022	137,829

Undisputed dues -Other than Micro enterprises and small enterprises		
Less than 1 year	191,257	13,605
1-2 years	2,427	37,589
2-3 Years	27,191	78,591
More than 3 years	11,576	6,551
Total	232,452	136,336

The disclosure relating to Micro, Small and Medium have been furnished to the extent such parties have been identified on the basis of the intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006. There is no interest paid/provided provision of interest payable as at 31st March, 2022 (Previous year NIL)

12 OTHER LIABILITIES	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
NON CURRENT		
(i) Advance from customer	2,548	
	2,548	

CURRENT		
(i) Advance from customer	8,284	42,982
Total	8,284	42,982

13 CURRENT TAX	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
Income Tax Payable	2,893	2,447
Total	2,893	2,447

14 REVENUE FROM OPERATIONS	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
Sales others	842,256	604,820
Sales exports	58,769	32,357
Total	901,025	637,177

16. Other Income	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
Interest income	3,467	2,712
Discount received	945	209
Export Drawback receipts	77	-
Forex gain	(277)	6,015
Total	4,211	8,935

16 COST OF MATERIAL CONSUMED	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
Opening Stock	37,466	65,203
Add : Purchases with expenses	455,114	152,395
	492,580	217,598
Less : Closing Stock	141,282	37,466
Total	351,299	180,132

17 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
OPENING STOCK		
Finished goods	254,191	308,041
WIP	-	1,146
	254,191	309,187
less: CLOSING STOCK		
Finished goods	226,891	254,191
WIP	226,891	254,191
Total	27,301	54,995

18 EMPLOYEE BENEFIT EXPENSES	(Rs in 100)	
Particulars	31st Maroh. 2022	31st Maroh. 2021
Wages & Factory Salary	204,475	115,316
Director's Remuneration	9,000	7,500
Total	213,475	122,816

19 FINANCIAL COST

(Rs in 100)

Particulars	31st March, 2022	31st March, 2021
Interest Expenses		
Interest on working capital to Bank	27,839	34,459
Interest on term loan to SIDBI		22,690
Other Interest	4,504	1,623
Other Borrowing Cost		
Bank charges and Other	2,675	1,917
Total	35,017	60,690

20 OTHER EXPENSES

(Rs in 100)

Particulars	31st March, 2022	31st March, 2021
Manufacturing Expenses		
Stores, spares and Tools Consumed		
Opening Stock	2,982	6,982
Add Purchase and expenses	16,994	6,965
	19,977	13,947
Less Closing Stock	3,359	2,982
	16,618	10,965
Packing Materials,		921
Electric Power, Fuel and Water	45,400	33,518
Repair & Maintenance Plant & Machinery	3,277	1,155
Repair & Maintenance plant installation		18,740
Dites dies making expenses		8,805
Factory Expenses	17,385	742
Transportation	1,215	754
Total	83,895	75,510
Selling and Distribution Expenses		
Baddebts and discounts	28,310	
Packing, Clearing & Forwarding expenses	4,600	195
Total	32,910	195
Establishment Expenses		
Printing & stationary	255	234
Advertisement expenses	241	319
Repair & Maintenance others	700	669
Travelling & Conveyance expenses	1,257	1,056
Salary to Staff	16,432	17,816
Office expenses	1,666	995
Welfare expenses	-	855
Legal and professional Expenses	3,736	4,662
Taxes and Insurance	2,411	3,407
Auditor's remuneration	1,150	1,000
Telephone & postage	1,207	1,179
Preliminary & IPO Expenses written off		18,934
Vehicle running expenses	2,405	227
Rent	1,680	1,680
Total	33,141	53,033
	148,847	128,738

21 Related Party disclosures:

(A) Related parties and their relationship

i) Key Management Personnel

01 Mr. Abhinav Upadhyay	Managing Director
02 Mr. Abhishek Upadhyay	CFO
03 Mrs. Asha Upadhyay	Director
04 Mrs. Rachna Upadhyay	Director

ii) Related parties

Mr. ASHINAV UPADHYAY	Managing Director
Rudra Enterprises	Proprietor is Mr. Abhinav Upadhyay
M/s SHIVA EXPLOSIVES INDIA PVT. LTD.	Director Mr. Suresh, Mr. Abhishek and Mr. Abhinav Upadhyay
Mr. Suresh Upadhyay	Relatives of Directors

(Rs in 100)

iii) Transaction with key managerial person	31.03.2022	31.03.2021
Director Remuneration to Abhinav Upadhyay MD	5589	
Salary paid to Abhinav Upadhyay CEO	2274	5000
Director remuneration to Suresh Upadhyay MD	3411	7500

There are no outstanding debts or loans due from directors or other officers (as defined under Section 2(59) of the Companies Act, 2013) of the Company

iii) Transaction with related parties	31.03.2022	31.03.2021
Purchase from Rudra Enterprises	31570	0
Office rent paid to Shri Suresh Upadhyay	1440	1440
Lease Rent paid to Shiva Explosive India Pvt Ltd	240	240

All the transactions entered by the Company with the related parties are at arm's length price.

22-EARNING PER SHARE(eps)	0.00079	-0.00001
Net profit after tax	10503	-157

23- During the period no amount was remitted in foreign currency on account of dividend and there was no earning in foreign currency except otherwise stated.

24- Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year presentation.

25- Outstanding Balance of secured loans, Unsecured Loans, Sundry creditors, advance from customer sundry debtors, Loans and advances are subject to confirmation.

26- Investment in Bank Fixed deposit in the name Shiva Export Co.a partnership firm converted in the name of this company.

		(Rs in 100)
27.	Auditors expenses	31.03.2022
	Audit fees (Statutory and Tax Audit)	1,000
	Certification	150

28. The company defaulted in payment of income tax liabilities from three year and provision of interest payable on defaulted income tax amount Rs 13.50 Lakhs (PY 11.56 Lakhs) has not been provided in the books during the year.

29. Two case under RVAT Act for Demand of Rs. 52.15 Lakhs and ETLA Act for Rs 2.38 Lakhs is pending before Rajasthan Tax Board, Ajmer filed by Commercial Taxes officer, Business audit 1, Udaipur against order of appellate authority Additional Commissioner Appeal, Udaipur and according to order no any demand is due as on date.

SHIVA GRANITO EXPORT LIMITED

30 RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% variance	Reason for Variance more than 25%
Current ratio	Current Assets	Current Liabilities	1.14	1.22	-6.56%	
Debt- Equity Ratio	Debt/Net worth (Debt is long term borrowing (current & non current portion) and Short Term Borrowing)	Shareholder's Equity	0.35	0.39	-8.55%	
Debt Service Coverage ratio	Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Interest expense on long term and short term borrowing during the period repayment of long term borrowing during the year	3.55	2.60	36.54%	Debt Service Coverage ratio is higher mainly on account of no repayment of long term borrowing during the year.
Return on Equity ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Average Shareholder's Equity	0.74%	-0.01%	0.75%	
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	233%	142%	64.32%	Inventory Turnover ratio is higher mainly on account of increase of turnover during the year.
Trade Receivable Turnover Ratio	Revenue from operations (Including Other operating income)	Average Trade Receivable	0.67	0.45	48.56%	Trade receivable ratio is higher mainly on account of increase of turnover during the year.
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	1.59	0.47	238.96%	Trade payable ratio is higher mainly on account of increase of purchaser during the year.
Net Capital Turnover Ratio	Revenue from operations (Including Other operating income)	Working capital = Current assets - Current liabilities excluding current maturities of long term borrowing	8.41	4.94	70.47%	Net Capital Turnover ratio is higher mainly on account of decrease in current liabilities.
Net Profit ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Revenue from operations (Including Other operating income)	1.17%	-0.02%	1.67%	
Return on Capital Employed	Earnings before interest and taxes	Average Capital Employed Capital Employed = Net Worth + Total Debt (Debt is long term borrowing (current & non current portion) and Short Term Borrowing) plus deferred tax liabilities	2.78%	3.89%	-1.17%	Return on Capital Employed is lower mainly on account of lower EBIT (Earnings before interest and taxes) during the year.
Return on Investment	Income on investments (including interest income on Bank deposits with original maturity of more than 12 months)	Average Investments (including Bank deposits with original maturity of more than 12 months)	8.09%	8.06%	0.44%	

31 OTHER STATUTORY INFORMATION:

(i) Disclosures of Loans or Advances

Type of Borrower	31.03.2022	31.03.2021
Promoters		
Directors		
KMPs		
Related Parties		
Amount of loan or advance in the nature of loan out standing		
Shiva Explosive India Pvt Ltd (Lease deposit)	32,768	33,008
Shiva Explosive India Pvt Ltd (Land advance)	49,984	-
Percentage to the total loans & Advance in the nature of loans	67.31%	48.86%

All the transactions entered by the Company with the related parties are at arm's length price.

The company entered an agreement with Shiva Explosive India Pvt Ltd for purchasing land which was previously taken on lease and on which existing industrial unit was established.

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company group for holding any Benami property
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (iv) The Company does not have any transactions with companies struck off.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period .
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (ix) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (x) The Company file quarterly statement to bank accoing to books of account regularly and difference in statement duly reconciled with books of account.

32 SIGNIFICANTS ACCOUNTING POLICIES

1. Basis of preparation of financial statement

- The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India to comply with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time and presentation requirement of Division II of schedule III to the Companies Act 2013 & Ind AS COMPLIANT Schedule III) as applicable. The financial statements have been prepared as going concern on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those follows in previous year.
- The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise stated hereinafter.
- Consequent to amendments to the Schedule III to the Companies Act, 2013 security deposit (March 2021 Rs 899573) have been presented as part of other non current financial assets which were previously included under Loans in non current financial assets.
- All the assets and liabilities have been classified as current and non current as per the company's normal operating cycle and other criteria set out in schedule III IN COMPANIES Act 2013. The Company has identified twelve months as its operating cycle.

2. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires and generally accounting principles accepted requires the Management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial are prudent and reasonable. Difference between the actual results and estimates are recognised in the period to which the results

3. Property, Plant and equipment and Depreciation

- Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. All cost including financing cost till commencement of business, net charges on foreign exchanges contracts and adjustments arising from exchange rate variation attributable to the fixed assets are capitalised .
- Depreciable amount for assets is the cost of an assets or other amount substituted for cost less its estimated residual value. Depreciation on Tangible fixed assets has been provided on the written down value method as per the use full life prescribed in schedule II to the Companies Act, 2013 subject to the followings deviations :- Additions and disposal s are reckoned on the first and last day of the month respectively. The estimated use full life of the Tangible assets and amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any. Capital assets costing up to Rs.5000/- are wholly depreciated in the year of purchase.

4. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchases, cost of conversion and cost of manufacturing overhead incurred in bringing them to their respective present location and condition. Cost of raw material, stores, consumables and packing materials are determined at cost.

5 Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to express ultimate collection. Turnover includes indigenous and exports sales of the company.

06 Current Assets, Loans and Advances & Liabilities

In the opinion of the management, the value on realization of current assets, loan and advances, if realized in the ordinary course of the business, shall not be less than the amount which is stated in the current year Balance Sheet. The provision for all known liabilities is reasonable and not in excess of the amount considered reasonably necessary.

07 Borrowing Cost

Borrowing cost incurred in relation to qualifying asset is capitalised and borrowing cost other than qualifying asset is charged to profit and loss account. The total amount of borrowing cost capitalised during the year is nil.

08. Company has not received any government Grant during the year.

09. Employee Benefits:

- I Short term employee benefit are recognised as an expenses at the undiscounted amount in the profit and loss account of the year in which the related services is rendered.
- II Retirement benefits as regards to employees are accounted at the time of payment.
- III No provision for accrued leave encashment has been made, as the payments are accounted on cash basis.

10 Taxes on Income:

- I. Provision for current tax is made after taking into consideration benefits admissible under the provisions of income tax Act 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws are enacted as on balance date.

11. Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation and in respect of to settle the obligation.

Provision is determined based on the best estimates required to settle the obligation at the year end date. These are review. Contingent liabilities are not provided for in the accounts and are separately shown in notes on account. Contingent assets are neither recognised nor provided or disclosed in the financial statements.

See accompanying notes to financial statements.

As per our report on even date

For Nenawati & Associates

Chartered Accountants

FRN 02148C

sd/-
(C S Nenawati)
Partner
M.No. 071341

Place : Udaipur
Date : 30.05.2022
UDIN : 22071841AKSZPB2644

For and on Behalf of the Board of Directors

sd/-
(Abhinav Upadhyay) (Asha Upadhyay)
Managing Director Director
DIN 01858391 DIN 07396269
sd/-
(Abhishek Upadhyay)
CFO

sd/-
(Rachna Upadhyay)
Director
DIN 07517468

sd/-
(Swati Maheshwari)
Company Secretary
ICSI Membership No. A.45405

Statements of Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements as mentioned above:

(Rs. in Lakhs, unless otherwise specified)

Sr. No.	Particulars	Based on Audited Financial Statements	
		FY 2021-22	FY 2020-2021
A.	Net worth	1423.88	1413.38
B.	Net Profit / (Loss) after Tax	10.50	(0.16)
C.	No. of Shares outstanding at the end of the year	132.15050	132.15050
	Weighted average number of shares outstanding		
D.	- for basic earnings per share	0.079	(0.01)
E.	- for diluted earnings per share	0.079	(0.01)
H.	Return on net worth (%) (B/A)	0.74%	-
	Net Asset Value per share of Rs. 10 each	10.77	10.70
I.	- based on weighted average number of shares (A/D)		
J.	- assuming actual number of equity shares with fully diluted capital in prior years (A/E)		
K.	EBITDA	18.54	15.69
L.	Face value	10.00	10.00

*This includes capital reserves and other reserves

**Net Worth is derived from the Financial Information and comprises of equity share capital and other equity.

A. The formula used in the computation of the above ratios are as follows:

- 1) Basic Earnings Per Share = $\frac{\text{Net Profit after Tax as per consolidated statement}}{\text{Weighted average number of equity shares outstanding during the Period / year}}$
 - 2) Diluted Earnings Per Share = $\frac{\text{Net Profit after Tax as per consolidated statement}}{\text{Weighted average number of equity shares outstanding during the Period / year for the effects of all dilutive potential equity shares}}$
 - 3) Return on net worth (%) = $\frac{\text{Net Profit after Tax as per consolidated statement}}{\text{Net worth}}$
 - 4) Net Asset Value per share = $\frac{\text{Net Worth}}{\text{Number of Equity Shares subscribed and fully paid outstanding as at the end of the period / year.}}$
- B. Earnings per share (EPS) calculation are in accordance with Ind - AS 33 - Earning per share.
- C. Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.
- D. "EBITDA" means earnings before interest, tax, depreciation and amortization. It has been calculated as follows:
Profit before tax (before share of profit of Associate & Joint Venture) – other income + finance cost + depreciation and amortization expense.

CAPITALIZATION STATEMENT

The following table sets forth our capitalisation as at 31st March, 2022, on the basis of Audited Financial Statements:
(Rs. In Lakhs)

Particulars	Pre Issue as on as on March 31, 2022	Post Issue *
Borrowing		
Short - Term Debt	504.60	[•]
Long - Term Debt	-	[•]
Total Debt	504.60	[•]
Shareholders' Funds		
Share Capital		
- Equity	1321.51	[•]
Less: Calls - in – arrears	-	[•]
Share Application money		
Other equity	102.37	[•]
Total Shareholders' Funds	1423.88	[•]
Long - Term Debt / Shareholders Fund	0.00	[•]
Short - Term Debt / Shareholders Fund	0.35	[•]

*To be updated in the Letter of Offer

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long term borrowings.
2. The amounts disclosed above are based on the Financial Information of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Management Discussion and Analysis Report

Global Economy

After a challenging year in 2020 due to Covid pandemic year 2021 started on a positive note with the roll-out of vaccination globally which curbed the spread of virus. The ease in lockdown restrictions spurred the demand and helped businesses in recovery. As per World Economic Outlook report, after the pandemic-led degrowth of 3.3% in 2020, the global economy rebounded fast and reported a growth of 5.7% in 2021. Aligned with the recovery of global output, global goods trade and global services trade also reported strong growth and reached pre-pandemic levels during the beginning of year 2022.

The global economic recovery was soon slowed down by the spread of Delta and Omicron variant of Covid-19. However, the spread of Delta and Omicron variant had limited economic impact due to controlled lockdown, widespread vaccination coverage and strong government support. The global economy was materially impacted due to Russia invasion on Ukraine in March 2022. The war in Ukraine has led to supply chain disruption, high commodity prices and surging inflation forcing Central Banks to drive tighter monetary policies. This is expected to impact demand and the Global GDP is now projected to grow by 2.9% in Calendar year 2022.

The world economy is expected to remain under stress and risk of recession is looming over global economy due to higher inflation, tighter monetary policies, slowing growth and persisting geopolitical tensions across the world.

Indian Economy

Indian economy had a robust recovery and GDP grew by 8.7% in FY 2022 as compared to negative growth of 6.6% in FY 2021. The roll-out of the successful vaccination program in India along with supportive policies from government helped India revive its economic growth. Indian government eased Covid-19 restrictions and the economy grew by 20.1% in Q1 FY 2022 and 8.4% in Q2 FY 2022. However, in second half of the year the Delta wave of Covid-19 again drove lockdowns and slowed down the growth trajectory of the economy. Omicron wave-induced restrictions and high commodity prices slowed down economic activities from third quarter onward.

Indian economy is expected to grow by 7.2% in FY 2023. Increased fuel prices and rising inflation triggered by the Ukraine war has forced tightened monetary policies from RBI and this in turn is expected to hamper economic activities.

Operational Performance during the year

During the year under review, the Company's performance from the date of 01.04.2021 to 31.03.2022 recorded as Net Sales of the Company Rs. 901.03 Lacs as against net sale of Rs. 637.18 Lacs of previous year. The Company achieved the Net Profit of Rs. 10.50 lacs as against net loss of Rs. (0.16) thousands of previous year. The robust increase in sales and profit was largely on account of good performance in first half of the year

Segment performance

Company has 1 segments slabs. Quartz sales are reported under slab segment.

Internal Control Systems and Their Adequacy

We have devised comprehensive internal control systems, commensurate with the size and nature of the business and industry in which we operate, by instituting a comprehensive documentation system for all our operational and financial functions. The internal control systems are built in compliance with applicable laws and statutes. The systems ensure adequate safeguard of assets and efficient productivity at all levels. The control systems are crucial for securing sensitive data, easing the audit process, maintaining proper accounting records, reliable financial reporting, monitoring operations, conservation of assets, preventing frauds and errors, executing authorized transactions, safeguarding assets from unauthorized use and ensuring compliance with corporate policies. Our internal audit team periodically reviews the adequacy of the internal control framework, and ensures it abides by all applicable rules and regulations. We keep a close eye on the internal control

systems through periodic audits by the internal audit team. Any recommended measures and suggestions for improvement are duly considered.

Human Resources

We believe that human capital plays a crucial role in business growth. Our talented and dedicated employee base has enabled us to achieve our strategic goals. Our HR policies are employee-friendly, nurturing a safe, conducive and productive work environment. This not only enables sustainable business growth but also ensures high productivity, employee satisfaction and motivation, and superior retention ratio.

Ratios

The details of significant changes (i.e changes of 25% or more as compared to the immediately previous financial year) in the key financial ratios, along with detailed explanations is mentioned in Note No. 30. Details of ratio as per schedule iii.

Risks, Concerns and Mitigation

We have in place a well-devised comprehensive risk management framework which helps us to closely monitor the various risks that may have a bearing on our business operations. The risk management framework helps us closely review the existing risks while identifying new and emerging risks. It also helps enumerate the strategies which will be useful in avoiding or minimizing the impact of the risks.

Opportunities & Threats

Opportunities

- Engineered stone demand is growing much faster globally. The company recently forayed in this segment and hopes to drive future sales growth from this segment. Dumping duty imposed on stone exports out of China by USA and European Union makes Indian processed granite more competitive in those markets.
- Strategic plant location, enabling ample raw material availability at competitive rates.
- Robust demand in both domestic and overseas markets.
- High preference for value –added products.

Threats

- Regulatory changes
- Fluctuations in key raw material and fuel costs
- Inconsistencies in quality and pricing of raw material
- Strong presence of unorganized market

Registered Office:
8, Bhatt Ji Ki Baari, Udaipur – 313001, Rajasthan

By order of the Board of Directors
For – Shiva Granito Export Limited

Place: Udaipur
Date: 16.08.2022

Sd/-
Abhinav Upadhyay
Managing Director
DIN: 01858391

Sd/-
Rachna Upadhyaya
Director
DIN: 07617468

For the Half year ended September 30, 2022

Particulars	Half year ended September 30		For the year ended March 31			
	2022		2022		2021	
	(Rs. in lakhs)	% of Total Revenue	(Rs. in lakhs)	% of Total Revenue	(Rs. in lakhs)	% of Total Revenue
Revenue from operations	265.12	100.00	901.025	99.53	637.177	98.62
Other income	-	-	4.211	0.47	8.935	1.38
Total revenue	265.12	100.00	905.236	100.00	646.112	100.00
Cost of material consumed	259.14	97.74	351.299	38.81	180.132	27.88
Purchase of Stock in Trade	13.86	5.23	38.781	4.28	1.856	0.29
Changes in inventories of finished goods, work-in-progress and stock in trade	(150.59)	(56.80)	27.301	3.02	54.995	8.51
Employee Benefits Expenses	36.66	13.83	213.475	23.58	122.816	19.01
Finance Costs	14.57	5.50	35.017	3.87	60.690	9.39
Depreciation and Amortization Expense	-	-	70.874	7.83	81.199	12.57
Power and Fuel	-	-	-	-	-	-
Other Expenses	71.19	26.85	149.947	16.56	128.738	19.93
Total expenses	244.83	92.35	886.694	97.95	630.427	97.57
Profit before tax	20.29	7.65	18.542	2.05	15.685	2.43
Current year	-	-	2.893	0.32	2.447	0.38
Deferred Tax	-	-	(5.147)	(0.57)	(13.395)	(2.07)
Total Tax Expenses	-	-	8.04	0.89	-(15.842)	(2.45)
Profit for the period from continuing operation	20.29	7.65	10.502	1.16	(0.157)	(0.02)
Profit for the period	20.29	7.65	10.502	1.16	(0.157)	(0.02)

1. Total Income:

Our total income was Rs. 265.12 Lakhs for the half year ended on 30th September, 2022.

a. Revenue from operations:

Our revenue from operations was Rs. 265.12 Lakhs which represented 100.00% of our total revenue for the half year ended on 30th September, 2022.

2. Expenses:

a. Cost of material consumed:

Our cost of material consumed was Rs. 259.14 Lakhs for the half year ended on 30th September, 2022, representing 97.74% of our total revenue for the period.

b. Purchase of Stock in trade:

Our purchase of stock in trade was Rs. 13.86 Lakhs for the half year ended on 30th September, 2022, representing 5.23% of our total revenue for the period.

c. Changes in inventories of finished goods, WIP and stock in trade:

Our change in inventories of finished goods, WIP and stock in trade was Rs. (150.59) Lakhs for half year ended on 30th September, 2022, representing (56.80)% of our total revenue for the period.

d. Employee benefits expenses:

Our employee benefits expenses were Rs. 36.66 Lakhs, representing 13.83% of our total revenue for the half year ended on 30th September, 2022

e. Finance cost:

Finance cost was Rs. 14.57 Lakhs for the half year ended on 30th September, 2022, representing 5.50% of our total revenue for the same period.

f. Other Expenses:

Other expenses were Rs. 71.19 Lakhs for the half year ended on 30th September, 2022, representing 26.85% of our total revenue for the same period.

g. Total Expenses:

Our total expenses were Rs. 244.83 Lakhs for the half year ended on 30th September, 2022, representing 92.35% of our total revenue for the same period.

h. Profit for the period

As a result of the foregoing factors, our profit for the half year ended on 30th September, 2022 was Rs. 20.29 Lakhs, representing 7.65% of total revenue.

Cash Flows of our Company:

Set for the below is a table of selected information from our statements of cashflows for Financial Year 2021 and 2022.

Particulars	As at 31 st March	
	2022	2021
	(Rs. in Lakhs)	
Net cash generated from / (used in) operating activities (A)	0.98	2.40
Net cash generated from / (used in) investing activities (B)	19.22	24.95
Net cash generated from / (used in) financing activities (C)	78.15	2.57
Net increase/(decrease) in cash and cash equivalents (A+B+C)	0.02	0.06

1. Operating Activities

a. Financial Year 2022

Net cash generated from operating activities was Rs. 98,042/- for Financial Year 2022. The profit before tax of Rs. 18,542.32/-, as adjusted primarily for depreciation and amortization expenses of Rs. 70,874/-. Operating profit before working capital was Rs. 1,21,245/-. The main adjustments in working capital included trade receivables of Rs. 58,418/-, inventories of Rs. 76,891/-, other current liabilities of Rs. 58,528/-, short term loans & advances of Rs. 22,170/-, trade & other payable of Rs. 1,90,166/-, other current assets of Rs. 2,639/-. Cash generated from operations amounted was Rs. 98,042/- and Net cash from operating activities was Rs. 98,042/-.

b. Financial Year 2021

Net cash generated from operating activities was Rs. 2,40,384/- for Financial Year 2021. The profit before tax of Rs. 15,685.81/-, as adjusted primarily for depreciation and amortization expenses of Rs. 81,199/-. Operating profit before working capital was Rs. 1,48,849/-. The main adjustments in working capital included trade receivables of Rs. 84,117/-, inventories of Rs. 86,732/-, short term loans & advances of Rs. 4,301/-, trade & other payable of Rs. 1,47,804/-, other current liabilities of Rs. 78,847/-, other current assets of Rs. 6,057/-. Cash generated from operations amounted was Rs. 2,40,384/- and Net cash from operating activities was Rs. 2,40,384/-.

2. Investing Activities

a. Financial Year 2022

Net cash used in investing activities was Rs. 19,220/- for Financial Year 2022, primarily due to other inflow of cash of Rs. 19,220/-.

b. Financial Year 2021

Net cash used in investing activities was Rs. 24,952/- for Financial Year 2021, primarily due to other inflow of cash of Rs. 56,139/- and cash advances & loans received back of Rs. 240/-.

3. Financing Activities

a. Financial Year 2022

Net cash used in financing activities was Rs. 78,148/- for Financial Year 2022, primarily due to increase in short term borrowings of Rs. 59,214/-, increase in long term borrowings of Rs. 1,02,345/- and Finance Cost of Rs. 35,017/-.

b. Financial Year 2021

Net cash used in financing activities was Rs. 2,57,149/- for Financial Year 2021, primarily due to increase in short term borrowings of Rs. 19,378/-, increase in long term borrowings of Rs. 2,15,837/- and Finance Cost of Rs. 60,690/-.

Contingent Liabilities

We have no contingent liabilities as on 31st March, 2022.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

1. Quantitative Disclosure about Market Risk

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used in our products. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manage credit risk in relation to our customers by ensuring that our marketing department follows our established policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which expose us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimise such risk.

2. Qualitative Disclosure about Market Risk

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 21 and page 139 respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “Risk Factors” on page 21 of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on pages 21 and 139 respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we will be able to stay competitive. For further details, kindly refer the chapter titled “Our Business” beginning on page 70.

Total Turnover of Each Major Business Segment

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

New Product or Business Segment

Except as disclosed in “Our Business” on page 70 we have not announced and do not expect to announce in the near future any new products or business segments.

Significant dependence on a Single or Few Suppliers or Customers

We are not under threat of dependence from any single supplier or customer.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since 31st March, 2022, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on 31st March, 2022, our Company have outstanding short term borrowing amount of 504.60 lakhs.

For further details, kindly refer the chapter titled “Financial Information” beginning on page 104 of this Draft letter of offer.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE Limited ('BSE'). As our Equity Shares are listed on the BSE, stock market data for our Equity Shares has been given for BSE.

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:

F.Y.	High	No. of shares	No. of trades	Low	Total Turnover	Average
2022	6.60	20,80,000	200	2.76	96,50,900	4.68
2021	3.90	17,50,000	159	1.75	48,46,800	2.83
2020	3.52	15,90,000	159	1.66	32,40,100	2.59

(Source: www.bseindia.com)

Notes: High, low and average prices are based on the daily closing prices. In case of two days with the same high or low price, the date with the high volume has been considered.

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 and Year	High	No. of shares	No. of trades	Low	Total Turnover	Average
December, 2022	5.44	1,80,000	14	4.19	8,48,800	4.82
November, 2022	5.29	2,50,000	24	4.22	11,87,000	4.76
October, 2022	5.84	3,70,000	36	4.24	19,09,500	5.04
September, 2022	4.08	1,20,000	12	3.05	4,36,500	3.57
August, 2022	3.70	30,000	3	3.50	1,08,000	3.6
July, 2022	3.45	90,000	9	3.00	2,97,800	3.23

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- *In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';*
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

Presently, there are no legal proceedings pending against our Company, group companies or directors; however we cannot assure you that there will be no legal proceedings against our Company or director in future. Also, one of our independent directors has filed a suit in Civil Court, Udaipur, any adverse decision in same may affect our company. Also, in the past we have been penalised by Commercial Tax Department, we cannot assure that such penalties will not be imposed on us in future. A brief summary of cases is reproduced below for your ready reference:

Also, there is no assurance that in future we, our directors or group companies may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters and Directors, see the Chapter entitled “Outstanding Litigation and Material Developments” on page 147.

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
Company							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Promoters							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies							
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Directors other than promoters							
By the Directors	Nil	1	Nil	Nil	Nil	Nil	11.00
Against the	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Directors							
Subsidiaries							
By the Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

I. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

II. OUTSTANDING LITIGATIONS INVOLVING THE COMPANY OR INVOLVING ANY OTHER PERSON OR COMPANY WHOSE OUTCOME MAY HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY'S RESULTS OF OPERATIONS OR FINANCIAL POSITION.

Except as described above, as on date of this Draft Letter of Offer, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2022.

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2022:

Name	Balance as on March 31, 2022
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)*	Rs. [●] Lakhs
Total Outstanding dues to Creditors other than MSME#	Rs. [●] Lakhs

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with us as we are in the process of compiling the information from our vendors.

GOVERNMENT AND OTHER STATUTORY APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has obtained the necessary consents, licenses, registrations, permissions and approvals from the applicable government agencies and other statutory and/ or regulatory authorities required to carry on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Draft Letter of Offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

- I. Material approvals for which applications have been made by our Company, but are currently pending grant: NIL**
- II. Material approvals for which renewal applications have been made by our Company: NIL**
- III. Material approvals which have expired and for which renewal applications are yet to be made by our Company: NIL**
- IV. Material approvals required for which no application has been made by our Company: NIL**

MATERIAL INFORMATION AND DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 139 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on January 25, 2023, pursuant to Section 62 and Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors of our Company has, at its meeting held on January 25, 2023, determined the Issue Price as Rs. 25/- per Rights Equity Share (including a premium of Rs. 15/- per Rights Equity Share) and the Rights Entitlement as 22 (Twenty Two) Rights Equity Shares for every 25 (Twenty Five) Equity Shares held on the Record Date. The Issue Price is Rs. 25/- per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

This Draft Letter of Offer has been approved by our Board pursuant to their resolution dated January 25, 2023.

Our Company has received 'in-principle' approvals from BSE Limited for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide its respective letter dated [●]. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges - BSE Limited to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page no. 158 of this Draft Letter of Offer.

Prohibition by SEBI and other Governmental Authorities

Our Company, our Promoters, our Promoter Group, Subsidiaries or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority / court as on date of this Draft Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or Promoters are associated with the securities market in any manner. Further, there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

Directors associated with the Securities Market

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

Prohibition by RBI

Neither our Company, nor our Promoters, Subsidiaries, Group Companies and Directors have been categorized or identified as wilful defaulters and/ or Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended (“SBO Rules”), to the extent applicable.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on BSE Limited. For the purpose of this Issue, the Designated Stock Exchange shall be BSE Limited.

Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1) of the SEBI ICDR Regulations, to the extent applicable and our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. **BSE Limited is the Designated Stock Exchange for the purpose of the Issue.**

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of Stock Exchanges i.e. BSE Limited; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are made in terms of Clause (4) 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 below Rs. 5000 Lakhs.

Disclaimer from our Company

Our Company accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue. Our Company and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Cautions

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no respective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to Shareholders only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer with respect to the jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law 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 Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE Limited for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of the BSE Limited

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

“BSE Limited (“the **Exchange**”) has given, vide its letter reference no. [●] dated [●] permission to this Company to use the Exchange’s name in this Draft Letter of Offer as the stock exchange 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:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- (ii) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) 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.”

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

SCSBs Restrictions

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to any persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form and the Employee Application Form (as applicable) may come are required to inform them about and observe such restrictions.

Our Company is making this Issue of Equity Shares: (a) to the Eligible Equity Shareholders who are outside the United States in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions; and (b) to the Eligible Employees, and will dispatch the Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders and the Employee Application Form to the Eligible Employees, who have provided an Indian address to our Company and who have made a request in this regard.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Equity Shares, Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges.

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

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

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

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such

Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD OR RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT (“**REGULATIONS**”) AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer.

Any person who acquires the Rights Entitlements or the Issue Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Issue Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Issue Shares in compliance with all applicable laws and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Issue Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Issue Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Issue Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with the BSE Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the BSE Limited.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have 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 also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent to the Issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

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 the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please see “Terms of the Issue” on page 158 of this Draft Letter of Offer. Investors may contact the Company Secretary and Compliance Officer and/ the Registrar at the below mentioned details for any pre Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

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 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 Draft Letter of Offer.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page no. 164 of this Draft Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents / records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Securities pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

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

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 Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

I. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send/ dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the

Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

Investors can access this Draft 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 <http://shivaexport.in/> ;
- (ii) The Registrar at <http://www.bigshareonline.com/> ;

Eligible Equity Shareholders who have not received the CAF may apply, along with the requisite application money, by using the CAF available on the websites above, or on plain paper, with the same details as per the CAF available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar 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.

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.

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 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.

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 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 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 redistributed.

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 their respective 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 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 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 or their respective affiliates to make any filing or registration (other than in India).

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 primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

II. Process of making an Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” on page no. 161 of this Draft Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 170.

Please note that one single Application Form shall be used by 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 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 apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSBs) for authorizing such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein 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 SCSBs.

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 SCSBs). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Terms of the Issue - Grounds for Technical Rejection” on page 167. 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 SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and 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 “Terms of

the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” beginning on page 161.

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.

Making of an Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSBs) for authorizing such SCSBs 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 authorization to the SCSBs, 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.

SCSB-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 the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSBs should have a separate account in its own name with any other SEBI registered SCSBs. 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.

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.

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 SCSBs.
- d) Ensure that you have authorised the SCSBs 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 SCSBs providing ASBA facility in your location and the Application is made through that SCSBs providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSBs 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.
- h) Ensure that your PAN is linked with Aadhar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

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 SCSBs 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 SCSBs), and a branch of the SCSBs which is not a Designated Branch of the SCSBs or our Company; instead submit the same to a Designated Branch of the SCSBs only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- (d) Do not submit Application Form using third party ASBA account.
- (e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

Making an Application on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSBs for authorizing such SCSBs to block Application Money in the said bank account maintained with the same SCSBs. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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.

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 SCSBs before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shiva Granito Export 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 Application Money 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 SCSBs;
12. In case of non-resident 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 SCSBs 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 SCSBs 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 SCSBs); and
16. 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 US Securities Act of 1933, as amended (the "US Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is 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 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 or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States 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 our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

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 US Securities Act.

I/ We acknowledge that we, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at Rightsissue@bigshareonline.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of 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.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit [●].

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, email 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 email, 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;
- 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 remaining procedure for Application shall be same as set out in “***Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***” beginning on page 161.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. 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 Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Terms of the Issue - Basis of Allotment” beginning on page 158.

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

Additional General instructions for Investors

- a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of 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.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “***Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***” on page 161.
- d) Applications should be submitted to the Designated Branch of the SCSBs or made online/electronic through the website of the SCSBs (if made available by such SCSBs) for authorising such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, 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.
- e) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not SCSBs), our Company or the Registrar.

- f) 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. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSBs, 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 SCSBs.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) 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.
- k) 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 SCSBs. 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.
- l) All communication in connection with Application for the Equity Shares, including any change in contact details 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 number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details 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.

- m) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical application
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

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) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to the Company, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSBs), to a branch of a SCSBs which is not a Designated Branch of the SCSBs.
- d) Insufficient funds are available in the ASBA Account with the SCSBs for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- k) Applications by SCSBs on own account, other than through an ASBA Account in its own name with any other SCSBs.

- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the application Form and this Draft Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- s) Payment from third party bank accounts.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in *“Capital Structure – Intention and extent of participation by our Promoter and Promoter Group”* beginning on page 40.

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 SCSBs, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSBs 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 heading “Terms of the Issue- Basis of Allotment” on page 158.**

Please note that on the Issue Closing Date, 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.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

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.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSBs where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

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.

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 ASB. 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 4 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.

III. Credit of Rights Entitlements in dematerialised account

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 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., <http://www.bigshareonline.com/>) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., <http://www.shivaexport.in/>).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for 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 all 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.

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 Exchanges 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.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, 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.

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., <http://www.bigshareonline.com/>). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in 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 (namely, “[●] Demat Escrow Account”) opened by our Company, for the Eligible Equity Shareholders which would

comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) 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 (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

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 our 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 our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. Renunciation of Trading of Rights Entitlementment

Renouncees

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

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.

In accordance with SEBI Rights Issue Circulars, 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 Issue Closing Date, will not be able to renounce their Right Entitlements.

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. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

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.**

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.

1. 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. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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 one Rights Entitlement. 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 trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

2. 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.

V. Mode of payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA.

In case of Application through ASBA facility, the Investor agrees to block the Application Money with the submission of the Application Form, by authorizing the SCSBs to block an amount, equivalent to the Application Money, in the Investor's ASBA Account. The SCSBs 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 SCSBs, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSBs 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 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 subsection (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 SCSBs.

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.

Payment by stock invest

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

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

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. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

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.

VI. Basis for this Issue and Terms of 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.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see **“The Term of the Issue” beginning on page 158.**

Face Value

Each Rights Equity Share will have the face value of Rs 10/-.

Issue Price

The Rights Equity Share is being offered at a price of Rs. 25/- per Rights Equity Share (including a premium of Rs. Rs. 15/- per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company at its board meeting held on [●] and 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 22 rights Equity Shares for every 25 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Right Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 22 Right Equity Shares for every 25 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In our case fractional entitlements is not applicable.

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 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 issue 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 Exchanges 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.

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 Exchanges. 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-principal approval from the BSE Limited 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.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid -up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law.

The existing Equity Shares are listed and traded on BSE Limited (Scrip Code: 540072) under the ISIN: INE191V01015. 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 Exchanges. 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 Exchanges, 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 Exchanges, 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 Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoters and Promoter Group" beginning on page 19.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid up on the Rights Equity Shares:

- a) The right to receive dividend, if declared;
- b) 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;
- c) The right to receive surplus on liquidation;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and
- f) 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.

VII. 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.

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 and SEBI Rights Issue Circulars, our Company will send / dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("Issue Materials") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials

will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their email address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Hindi language daily newspaper (Hindi being the regional language of Rajasthan, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

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 i.e. Bigshare Services Private Limited at Office No S6-2, 6th Floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access this Draft 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 Exchanges. 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 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 in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

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.

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 OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 161.

VIII. Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
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 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.

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. [●].

For details, see “General Information - Issue Schedule” on page 36.

IX. 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 (b) 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 other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

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

X. Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted 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 issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

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

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. 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:

- a) Unblocking amounts blocked using ASBA facility.
- b) NACH – National Automated Clearing House is a consolidated 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 centers 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.

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.

XII. 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 THE ISSUE CLOSING DATE, AS THE CASE MAY BE, 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 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 [●] with NSDL and an agreement dated [●] 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 dematerialized 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 email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees 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.

XIII. 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 Rs. 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 upto three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 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 ₹50 lakhs or with both.

XIV. Utilization 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) shall be disclosed under an appropriate separate head in the balance of our Company indicating the purpose for which such monies had been utilized; 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.

XV. 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 within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 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.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. Investor Grievances, Communication and Important Links

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 “Shiva Granito Export Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Name	: Bigshare Services Private Limited
Address	: Office No S6-2, 6th Floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra
Tel No.	: 022-62638200, 022-62638295, +91-7045454390
Email Id	: vijay@bigshareonline.com
Investor Grievance Email	: Investor@bigshareonline.com
Contact Person	: Mr. Vijay Surana
Website	: www.bigshareonline.com
SEBI Registration No.	: INR000001385

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.bigshareonline.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 022-62638200, 022-62638295.

This Issue will remain open for a minimum 7 days. However, our Board or 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 days from the Issue Opening Date (inclusive of the Issue Opening 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 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The 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 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 fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (OCBs) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company are 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.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlements and Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are U.S. QIBs and QPs).

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Draft 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.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or the Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulations under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Representations, Warranties and Agreements by Purchasers

Each person outside of the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of Seller and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/ or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed SCSB efforts” in the United States (as such term is defined in Regulations).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with SEBI and the Stock Exchange); and it will not offer, sell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests there in, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, sells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading ***“Restrictions on Purchases and Resales”***.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will

have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

10. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
11. The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
12. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company; and (ii) any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
13. The purchaser will not hold our Company, or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information.

SECTION X – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 a.m. to 5:00 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated [●] between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated [●] among our Company the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated [●] under the name of “Shiva Granito Export Limited”.
3. Copy of the Resolutions passed by our Board dated January 25, 2023 [●] approving the Rights Issue and other related matters.
4. Copy of the Resolution of our Committee of Directors / Board of Directors dated [●], finalizing the terms of the Issue including approving the Letter of Offer, Issue Price, Record Date and the Rights Entitlement Ratio.
5. Consents of our, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Legal Advisor and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
6. Statement of Tax Benefits dated [●] issued by [●].
7. Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Company.
8. Tripartite Agreement dated [●] between our Company, CDSL and Registrar to the Company.
9. In-principal approval issued by the BSE Limited dated [●], respectively.

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

SECTION XI -DECLARATION

We/ I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder. We/ I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by Securities and Exchange Board of India, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTORS OF THE COMPANY

Sd/-

Abhinav Upadhyay
(Managing Director)

Sd/-

Asha Upadhyay
(Director)

Sd/-

Rachna Upadhyaya
(Director)

Sd/-

Vishal Jain
(Director)

Sd/-

Chanchal Nuwal
(Director)