



NAGREEKA EXPORTS LIMITED

Our Company was incorporated as “Nagreeka Exports Limited” on March 6, 1989 as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation received from the Registrar of Companies, West Bengal at Kolkata (“RoC”). Our Company was granted a certificate of commencement of business by the RoC on March 17, 1989. For details of change in the registered office of our Company, see “General Information” on page 32.

Registered Office: 18, R.N. Mukherjee Road, Third floor, Kolkata – 700001, West Bengal, India,

Telephone: +91-33-2210 8827

Corporate Office: 7, Kala Bhavan, 3, Mathew Road, Opera House, Mumbai – 400 004, Maharashtra, India,

Telephone: +91-22-6144 7500

Contact Person: Jyoti Sinha Banerjee, Company Secretary and Compliance Officer

Email: rinagreeka@nagreeka.com; **Website:** www.nagreeka.com

Corporate Identity Number: L18101WB1989PLC046387

OUR PROMOTERS: MR. SUSHIL PATWARI, MR. SUNIL ISHWARLAL PATWARI AND MR. MAHENDRA ISHWARLAL PATWARI FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF NAGREEKA EXPORTS LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

ISSUE OF UP TO 1,87,49,550 EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH (“RIGHTS EQUITY SHARES”) OF THE COMPANY FOR CASH AT A PRICE OF ₹ 20/- EACH (INCLUDING A SHARE PREMIUM OF ₹ 15/- PER RIGHTS EQUITY SHARE) (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO ₹ 3,750 LAKH ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 RIGHTS EQUITY SHARES FOR EVERY 2 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON JANUARY 30, 2024. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 135.

*Assuming full subscription

WILFUL DEFAULTER OR FRAUDULENT BORROWER

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

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” on page 16.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together, the “Stock Exchanges”). Our Company has received ‘in-principle’ approvals from BSE and NSE for listing the Rights Equity Shares to be allotted in the Issue through their letters dated January 10, 2024 and November 7, 2023, respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

LEAD MANAGER TO THE ISSUE



PRIME SECURITIES LIMITED
1109/1110, Maker Chambers V,
Nariman Point, Mumbai 400 021,
Maharashtra, India
Telephone: +91 22 61842525
Email: projectrenewtex@primesec.com
Investor Grievance Email: projectrenewtex@primesec.com
Website: www.primesec.com
Contact Person: Apurva Doshi
SEBI Registration No.: INM000000750

REGISTRAR TO THE ISSUE



MAHESHWARI DATAMATICS PRIVATE LIMITED
23, R N Mukherjee Road, 5th Floor,
Kolkata – 700 001, West Bengal, India
Telephone: +91 33-2248-2248/2243-5029
E-mail: mdpldc@yahoo.com
Investor grievance E-mail: mdpldc@yahoo.com
Website: www.mdpl.in
Contact Person: Ravi Kumar Bahl
SEBI Registration No.: INR000000353

ISSUE PROGRAMME*

ISSUE OPEN ON

Monday, February 12, 2024

LAST DATE FOR ON MARKET RENUNCIATION*

Monday, February 19, 2024

ISSUE CLOSES ON#

Friday, February 23, 2024

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. 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 Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/ chapters titled “Industry Overview”, “Statement of Special Tax Benefits”, “Financial Information” and “Outstanding Litigations and Defaults” and “Terms of Issue” on pages 49, 46, 70, 123, and 135 respectively, shall have the meaning given to such terms in such sections.

General terms

| Term | Description |
|--|--|
| “Nagreeka Exports Limited” or “We” or “us” or “Our Company” or “the Company” or “the Issuer” | Nagreeka Exports Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 18, R.N. Mukherjee Road, third floor, Kolkata – 700001, West Bengal, India and corporate office at 7, Kala Bhavan, 3, Mathew Road, Opera House, Mumbai – 400 004, Maharashtra, India |

Company related terms

| Term | Description |
|---|---|
| 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 B. Nath & Co, Chartered Accountants. . |
| Audited Financial Statements/ Audited Financial Information | The audited financial statements of our Company for the financial year ended March 31, 2023 which comprises of the balance sheet as at March 31, 2023, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Statements” on page 70. |
| Board / Board of Directors | Board of Directors of our Company, including any committees thereof. |
| Corporate Office | The corporate office of the Company at 7, Kala Bhavan, 3, Mathew Road, Opera House, Mumbai – 400 004, Maharashtra, India |
| Equity Share(s) | The equity shares of our Company of a face value of ₹5 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 and as described in “Our Management – Key Managerial Personnel” on page 69. |
| Limited Review Report | Report dated November 14, 2023 prepared by the statutory auditors of our Company, M/s B Nath & Co, Chartered Accountants on the unaudited financials results of our |

| Term | Description |
|---|--|
| | Company for the six month ended on September 30, 2023. |
| Memorandum / Memorandum Association / MoA | Memorandum of association of our Company, as amended from time to time. |
| Preference Shares | The 15 % cumulative non-convertible redeemable preference shares of a face value of ₹10 each of our Company, unless otherwise specified in the context thereof. |
| Promoter(s) | The Promoters of our Company, namely Sushil Patwari, Sunil Ishwarlal Patwari and Mahendra Ishwarlal Patwari |
| Promoter Group | The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. |
| Registered Office | The registered office of our Company located at 18, R.N. Mukherjee Road, third floor, Kolkata – 700001, West Bengal, India |
| Registrar of Companies/ RoC | The Registrar of Companies, West Bengal at Kolkata. |
| Senior Management / Senior Managerial Personnel / SMP | Senior management/ senior managerial personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as described in “ <i>Our Management – Senior Managerial Personnel</i> ” on page 69. |
| Shareholders / Equity Shareholder | The equity shareholders of our Company, from time to time. |
| Limited Review Unaudited Financial Statements/ Review Unaudited Financial Results | The limited review unaudited financial results for the six months ended September 30, 2023 prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the notes thereto. |

Issue related terms

| Term | Description |
|--|---|
| Abridged Letter of Offer / 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 / Additional 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 Account(s) | The accounts opened with the Banker to the Issue, into which the 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. |
| Allotment Account Bank/Banker to Issue/Refund Bank | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account(s) will be opened, in this case being HDFC Bank Limited. |
| Allotment Advice | Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted and the Rights Equity Shares pursuant to this 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 Renounees who are entitled to make an application for the Equity Shares in terms of this Letter of Offer. |
| Application | Application made (i) through submission of the Application Form or plain paper Application to the Designated Branch(es) 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 | Form in terms of which an Applicant shall make an application to subscribe to the |

| Term | Description |
|--|---|
| | Rights Equity Shares pursuant to the Issue, including plain-paper applications and online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price. |
| Application Supported by Blocked Amount / ASBA | 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. |
| ASBA Applicants / ASBA Investors | Applicants / Investors who make Application in this Issue using the ASBA Process. |
| 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, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard |
| Banker to the Company | Canara Bank, State Bank of India, Indian Bank, Punjab National Bank and The Karnataka Bank Limited |
| Banker to the Issue | HDFC Bank Limited |
| Banker to the Issue Agreement | Agreement dated January 18, 2024 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue for transfer of funds to the Allotment Account, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement. |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange under this Issue and which is described in “ <i>Terms of the Issue</i> ” on page 135. |
| Controlling Branches / Controlling Branches of the SCSBs | Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, 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 SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time. |
| Designated Stock Exchange | BSE |
| 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. |
| Letter of Offer / LOF | This letter of offer dated January 31, 2024 filed with the Stock Exchanges including any addenda or corrigenda thereto. |
| Equity Shareholder(s) / Shareholder(s) | The holders of Equity Shares of our Company. |
| Eligible Equity Shareholder(s) | Holder(s) of the Equity Shares as on the Record Date, i.e., January 30, 2024 |
| ISIN | International Securities Identification Number. |
| Issue / Rights Issue | Issue of up to 1,87,49,550 Rights Equity Shares for cash at a price of ₹ 20 per Rights |

| Term | Description |
|---|--|
| | Equity Share, including a share premium of ₹ 15.00 per Rights Equity Share for an aggregate amount upto ₹ 3,750.00 lakh* on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of 3 Rights Equity Shares for every 2 Equity Shares held by the Eligible Equity Shareholders on the Record Date. <i>*Assuming full subscription</i> |
| Issue Agreement | Issue agreement dated January 30, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Closing Date | February 23, 2024 |
| Issue Documents | Collectively, this Letter of Offer, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter, any other issue material |
| Issue Opening Date | February 12, 2024 |
| 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 | ₹ 20.00 per Rights Equity Share. |
| Issue Proceeds/Gross Proceeds | The gross proceeds raised through the Issue. |
| Issue Size | The issue of up to 1,87,49,550 Rights Equity Shares aggregating to an amount upto ₹3,750.00 lakh*. <i>*Assuming full subscription</i> |
| Lead Manager to the Issue/ Lead Manager | Prime Securities Limited. |
| Listing Agreement | The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations |
| Materiality Policy | 'Policy for Determination and Disclosure of Materiality of an Event or Information' adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality policy adopted by the Board of Directors through its resolution dated August 14, 2023 for the purpose of litigation disclosures in this Letter of Offer. |
| 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 " <i>Objects of the Issue</i> " on page 40. |
| 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. |
| Non – ASBA Applicant/ Non - ASBA Investor | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process. |
| Offer Document(s) | The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto. |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. 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 |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before February 23, 2024. |
| QIBs / Qualified | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR |

| Term | Description |
|---|---|
| Institutional Buyers | Regulations. |
| Record Date | Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being January 30, 2024 |
| Registrar / Registrar to the Issue | Maheshwari Datamatics Private Limited |
| Registrar Agreement | Agreement dated October 21, 2023 entered into 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 in accordance with the SEBI master circular bearing number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023. |
| 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 February 19, 2024, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such 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 ₹ 2,00,000 (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 his / her shareholding in our Company as on the Record Date, being 3 Rights Equity Share(s) for every 2 fully paid-up Equity Share(s) held by the Eligible Equity Shareholder on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening 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 to be Allotted pursuant to the Issue. |
| Self-Certified Syndicate Banks / SCSBs | Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time and/or such other website(s) as maybe prescribed by SEBI from time to time. |
| Stock Exchanges | BSE and NSE where the Equity Shares are presently listed. |
| Transfer Date | The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Wilful Defaulter or Fraudulant Borrower | An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of 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 Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays. |

Business and Industry Related Terms

| Terms | Description |
|----------|---|
| CAGR | Compound Annual Growth Rate |
| CITI | Confederation of Indian Textile Industry |
| ELS | Extra-Long Staples |
| FDI | Foreign Direct Investment |
| FTAs | Free Trade Agreements |
| GDP | Gross Domestic Product |
| IPP | Index of Industrial Production |
| MSMEs | Micro, Small, and Medium Enterprises |
| NTTM | National Technical Textiles Mission |
| PM MITRA | PM Mega Integrated Textile Region and Apparel |
| QCO | Quality Control Orders |

Conventional, General Terms and Abbreviations

| Term | Description |
|----------------------------------|---|
| ₹/ Rs./ Rupees/ INR | Indian Rupees |
| A/c | Account |
| AGM | Annual General Meeting |
| AIF | Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate |
| CDSL | Central Depository Services (India) Limited |
| CCD | Compulsorily Convertible Debentures |
| CIN | Corporate Identity Number |
| Companies Act | Companies Act, 2013 and the rules made thereunder |
| Consolidated FDI Policy | The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| CSR | Corporate Social Responsibility |
| Depositories Act | The Depositories Act, 1996 |
| Depository Participant / DP | A Depository participant as defined under the Depositories Act |
| DIN | Director Identification Number |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EGM | Extraordinary general meeting |
| EPS | Earnings per Share |
| ERP | Enterprise Resource Planning |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial year / Fiscal/ FY | 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 Offender | Economic 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 |

| Term | Description |
|--|---|
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| GDP | Gross Domestic Product |
| Government / Government of India / GoI | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| ICAI | The Institute of Chartered Accountants of India |
| 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 |
| ISIN | International Securities Identification Number allotted by the depository |
| IT | Information Technology |
| I.T. Act / IT Act | Income Tax Act, 1961 |
| I. T. Rules | Income Tax Rules, 1962 |
| Listing Agreements | The listing agreements entered into by our Company with the Stock Exchanges |
| MAT | Minimum Alternate Tax |
| MCA | Ministry of Corporate Affairs, Government of India |
| MICR | Magnetic ink character recognition |
| MoU | Memorandum of Understanding |
| Mutual Fund | Mutual Fund registered with SEBI under the SEBI Mutual Fund Regulations. |
| NA / N.A. | Not Applicable |
| NACH | National Automated Clearing House which is a consolidated system of ECS |
| NAV | Net asset value |
| NCLT | National Company Law Tribunal |
| NCLAT | National Company Law Appellate Tribunal |
| NEFT | National Electronic Fund Transfer |
| 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 | Non-Resident Indian |
| NSE | The 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 |

| Term | Description |
|---|---|
| PBT | Profit Before Tax |
| P/E Ratio | Price / Earnings Ratio |
| PIO | Persons of Indian Origin |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| RTGS | Real Time Gross Settlement |
| RONW | Return on Net Worth |
| SCORES | SEBI Complaints Redress System |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India, constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Master Circular | SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended |
| SEBI Rights Issue Circulars/ Rights Issue Circulars | SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Securities Act | United States Securities Act of 1933 |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| Trade Marks Act | Trade Marks Act, 1999 |
| US | United States of America |
| US GAAP | Generally Accepted Accounting Principles in United States |
| 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) |

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Pursuant to the SEBI ICDR Master Circulars, in case such 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 such Eligible Equity Shareholders who 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. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire 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 without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

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

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as business, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements 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 United States Securities Act, 1933, as amended (“**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer/ Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

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 of America when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we 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 in respect of any such Application Form.

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

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

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

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Financial Statements for the financial year ended on March 31, 2023 and Limited Review Unaudited Financial Results for the six months period ended September 30, 2023. For further information, see “*Financial Information*” on page 70.

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

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

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

Market and Industry Data

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

Certain industry related information in the sections titled “*Industry Overview*”, “*Our Business*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 49, 58, 16, and 117 respectively, have been derived from an industry report titled “*Industry Outlook – Textile Outlook of India – Outlook and Challenges*” dated May 30, 2023, prepared by Infomerics Valuation and Rating Private Limited (the “**Industry Report**”), an independent research house, pursuant to an engagement with our Company.

Currency and Units of Presentation

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

Certain numerical information has been presented in this Letter of Offer in “Lakh” units. 10,000,000 represents one crore and 1,000,000 represents one million.

Exchange Rates

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

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

| Currency | Exchange rate as on | | | |
|----------|---------------------|----------------|----------------|----------------|
| | September 30, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| 1 US\$ | 83.06 | 82.17 | 75.79 | 73.11 |

(Source: www.fbil.org.in)

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

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology including ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘forecast’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘target’, ‘will’, ‘would’ or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

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

- Our ability to successfully implement our strategy;
- Our inability to anticipate and respond to changes in customer preferences in a timely and effective manner;
- Any imitation of our brand, product solutions, or any reproduction of likenesses of our products;
- Increasing competition in, and the conditions of, the cotton yarn industry;
- Any breaches of data security or disruptions of our information technology systems;
- Our inability to attract and retain skilled personnel; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16, 58 and 117 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 16, 40, 58 and 123 respectively.

Summary of our Business

We are a part of the Nagreeka Group, incorporated in 1953 and founded by late Shri I. L. Patwari and his family. Incorporated in 1989, our Company is presently engaged in the business of manufacturing and trading of cotton yarn and speciality yarn ranging from 6s to 80s (single/multiple yarn) and fabrics. Our spinning unit is located at Kolhapur district of Maharashtra. At present, our Company has an installed capacity of 55,440 spindles in Ring Spinning. The manufacturing facility also houses the state-of-the-art Reiter, LMW and other machines to manufacture speciality yarn of various counts, we also have Uster & other equipment in the quality lab to ensure that there is the monitoring of each stage of the production process so that there are enough data points for continuous improvement of the products.

Our Company manufactures and Trades wide range of products like, Ring yarn, Compact yarn, TFO yarn, Open End yarn, Gassed yarn, Mercerised yarn, Slub yarn, Multi Count yarn, Melange yarn, Dyed Yarn, High Twist yarn, Core Spun yarn and Elitwist yarn. We have also set up textile processing plant at Kagal Kolhapur district of Maharashtra. Our products are tailor-made to cater specific customer needs and we sell our products in domestic as well as international markets. Exports accounted for 60.80%, 49.23% and 67.33% of Revenue from Operations for the six-month period September 30, 2023 and for Fiscals 2023 and 2022 respectively. The export sales on this scale are possible due to our global distribution network. As on September 30, 2023, we have marketing team and established marketing network of agent across India and in about 40 countries across the globe. We believe that such a global distribution network is instrumental in an effective supply-chain management as well minimizes risks that may emanate from any geographical concentration.

Objects of the Issue

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

| | | (₹ in lakhs) |
|----------------------------|---|------------------|
| S. No. | Particulars | Estimated amount |
| 1. | Repayment of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari | 1,220.10 |
| 2. | Redemption of outstanding cumulative non-convertible redeemable preference shares held by one of our Promoter, Sushil Patwari | 1,000.00 |
| 3. | Funding capital expenditure of our Company | 592.40 |
| 4. | General Corporate Purpose | 873.41 |
| Total Net Proceeds* | | 3,685.91 |

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

For further details, see “*Objects of the Issue*” on page 40.

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

Our Promoters, Sushil Patwari, Sunil Ishwarlal Patwari and Mahendra Ishwarlal Patwari, by letters dated October 23, 2023 and December 28, 2023 (the “**Promoters Subscription Letters**”) on behalf of the Promoters or other member(s) of our Promoter Group of the Company have confirmed that they shall (i) subscribe to their Rights Entitlements in the Issue or renounce a portion of their Rights Entitlements in favour of the other Promoters or member(s) of our Promoter Group and (ii) will further subscribe to such number of additional Rights Equity Shares for any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group or through third party investors as may be required to ensure that aggregate subscription in the Issue shall be 90% of the Equity Shares

offered in the Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

Summary of Outstanding Litigations and Defaults

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

| Nature of Cases | Number of Cases | Amount Involved* (₹ in lakhs) |
|---|------------------------|--|
| Litigations involving our Company and Promoters | | |
| Proceedings involving moral turpitude or criminal liability on our Company | Nil | Nil |
| Proceedings involving material violations of statutory regulation by our Company and Promoters | 1 | 10.00 |
| Matters involving economic offences where proceedings have been initiated against our Company | Nil | Nil |
| Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company | 1 | 4,358.00 |

* To the extent quantifiable.

For further details, see “*Outstanding Litigations and Defaults*” beginning on page 123.

Risk Factors

For details of the risks associated with our Company, please see the section titled “*Risk Factors*” on page 16.

Contingent Liabilities

For details of contingent liabilities for the Fiscal 2023, please see the section titled “*Financial Statement*” on page 70.

Related Party Transactions

For details of related party transactions for the Fiscal 2023, please see the section titled, see “*Financial Statements*” on page 70.

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

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

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with the Financial Statements and other financial information included elsewhere in this Letter of Offer.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, Equity Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Letter of Offer.

Unless otherwise stated, references to “we”, “us”, “our”, “our Company” and similar terms is for Nagreeka Exports Limited.

1. Any increase in the prices of raw material or any decrease in the supply of raw materials, primarily cotton will materially and adversely affect our business, results of operations and financial condition.

The primary raw material for our manufacturing operations is cotton. We purchase cotton from domestic market. Being an agricultural commodity, there are fluctuations in price of cotton due to the changes in weather condition among other factors. Further, the minimum support price for cotton is also determined by the Government of India. As a result, the cotton price in India is not only driven by market demand but also supported by minimum support price operations of the Cotton Corporation of India. Any increase in cotton prices may have an adverse effect on our business, financial condition and results of operations. Any material shortage or interruption in the domestic supply or deterioration in quality of cotton due to natural causes or other factors could result in increased costs that we may not be able to pass on to customers.

We buy cotton from open market, therefore, there is no minimum committed volumes of raw material that our suppliers assure. Any failure to arrange for raw material in the necessary quantities or as per our requirement with respect to our schedule, quality, standards and specifications, may adversely affect our production processes, which may in turn result in a material adverse effect on our business, financial condition and results of operations. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost-effective manner.

We sell our products in highly competitive markets, and competition in these markets is based primarily on demand and price. However, competition in our businesses can be based on, among other things, innovation, perceived value, brand recognition, promotional activities, advertising, new product introductions and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. As a result, to remain competitive, we must continuously strive to reduce our production costs and improve our operating efficiencies. In our businesses, we actively compete with companies producing the same or similar products. Due to the nature of our products, competition in these markets is based primarily on price and quality.

2. We do not have long term contracts with our customers.

We have not executed any long-term contracts with our domestic or international customers. Our sales are based on purchase orders that are placed by our customers depending on their requirements, with typical delivery periods ranging from 15 days to 180 days. In the absence of long-term contracts, there can be no assurance that a particular

customer would continue to source their supplies from us in the future. A reduction in the purchase orders placed by the customers may adversely affect our business and revenues; and may require us to shift to different markets and/or look for alternative buyers. Further, any loss of our major customers arising out of competition or from cheaper sources can lead to reduced margins and our results and operations may be affected.

3. *Our promoter Sushil Patwari is involved in certain regulatory proceedings and levied with penalty by SEBI. Any adverse outcome in such proceedings may have implications on smooth functioning of our Company.*

SEBI vide its order dated August 25, 2023 (“**Order**”), has imposed penalty of ₹10.00 lakh on our Promoter Sushil Patwari in the matter of Rupa Company Limited (“**RCL**”). SEBI has alleged that our Promoter, Sushil Patwari had traded in the securities of RCL during the period February 1, 2021 to June 30, 2021 on the basis of unpublished price sensitive information and in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 read with the SEBI PIT Regulations. Sushil Patwari has challenged the Order before the Securities and Appellate Tribunal (“**SAT**”) after making payment of ₹10.00 lakh. The matter is currently pending before SAT. However, we cannot assure that the said challenge will be successful and any adverse order or unfavourable order in the appellate forum may adversely affect our Promoter, the Company and its reputation.

4. *We are exposed to foreign exchange fluctuations risks.*

We are exposed to foreign exchange related risks since a major portion of our revenue from operations are in foreign currency. Our revenue from operations in foreign currency in Fiscal 2023, accounted for approximately 49.23% of our total revenue from operations for the respective periods.

Any fluctuation of rupee rate against foreign currencies may adversely affect our export earnings, which we have experienced and can be expected to continue in terms of foreign exchange losses in respect of transactions denominated in foreign currencies

We have been hedging our foreign exchange exposure through forward contracts to mitigate the risk of fluctuations in foreign exchange currencies for exports of our products. Although we have been entering into foreign exchange forward contracts to hedge against our foreign exchange risks, we cannot assure that we will continue to enter into forward contracts in the future and any such lack of hedging may expose us to foreign exchange currencies fluctuation, which may have an adverse impact on our business, results of operations and financial conditions.

5. *Any decrease in demand for our products may adversely affect our business and financial condition.*

The sales of our yarn that we manufacture and trade, rely heavily on the demand and preferences of end-user consumers of garments and other textile products. Our largest business segment is the manufacturing of yarn which accounted for approximately 56.46% and of our total revenue from operations for Fiscal 2023. If the preferences of end-users for textile products undergo a change which is driven by fashion or, availability of cheaper alternative like polyester or if our industry experience lower or negative growth, demand for our products may decrease and our revenue from sales of such products may decline, which may in turn materially adversely affect our business, financial condition and results of operations. In addition, we make significant decisions, including setting up of additional capacities, determining the levels of business that we will seek and accept, production schedules, raw material procurement, personnel requirements, and other resource requirements, based on our estimates of future sales projections. This may require us to increase staffing, increase borrowings and incur other expenses to meet the anticipated demand. However, any decrease in the demand for our product may result in such expenses causing reductions in our margins and significantly impact our results and operations. We cannot assure you that we will be able to realise the sales value on the basis of our estimates and any such losses may have an adverse impact on our results of operations.

6. *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.*

We monitor our inventory levels based on our projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales for some of our products. An inaccurate forecast of demand for any product may result in unavailability/surplus of products. This

unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially due to writing down of inventory cost from its carrying value to the net realisable value. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

7. *Our indebtedness, including various conditions and restrictions imposed on us by our financing agreements, could adversely affect our ability to react to changes in our business, and we may be limited in our ability to use debt to fund future capital needs.*

As of September 30, 2023, our borrowings amounted to ₹ 19,955.42 lakh. Our substantial indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to payments in respect of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenditures;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or our industry;
- limit our ability to borrow additional funds;
- restrict us from making strategic acquisitions, introducing new products or services or exploiting business opportunities; and
- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

We cannot guarantee that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, adverse changes in the business conditions affecting us could cause the amount of refinancing proceeds to be insufficient to meet our interest payments or fully repay any existing debt upon maturity and we may be unable to fund the payment of such shortfalls. If we cannot obtain alternative sources of financing or our costs of borrowings become significantly more expensive, then our financial condition and results of operations will be adversely affected.

Moreover, the agreements governing certain of our debt obligations include terms that, in addition to certain financial covenants, which, amongst others, restrict our ability to make capital expenditures and investments, declare dividends, effect a scheme of amalgamation or reconstitution, alter our constitutional documents, undertake new projects, change our management and board of directors, modify our promoter/ promoter group shareholding, and modify our capital structure. Any failure on our part to comply with these terms in our loan agreements would generally result in events of default under these loan agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over various assets and take possession of those assets, which could adversely affect our liquidity and materially and adversely affect our business and operations. In addition, to the extent that we cannot make payments on accelerated amounts, such non-payment could result in the cross default and/or cross-acceleration of some or all our other outstanding indebtedness, and payment of penalty interest, which could likewise adversely affect our liquidity and materially and adversely affect our business, operations and financial conditions.

8. *We are subject to government policies and regulations affecting the agricultural sector particularly related to cotton and related industries could adversely affect our operations and profitability.*

Production of cotton, our primary raw material for our operations is significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products) can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. In recent years, rising prices of cotton and concerns about food security have prompted governments in several countries to introduce export bans on key agricultural commodities and commodity products. There is no assurance that such export bans may not become more prevalent

whether across countries or products. Future government policies may adversely affect the supply, demand for and prices of our products restrict our ability to do business in our existing and target markets and could cause our financial results to suffer.

9. Any inability on our part to comply with prescribed technical specifications and standards of quality in connection with our products could adversely impact our operations and profitability.

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities as well as some of our customers that enable us to be eligible to participate in orders. Further, we are required to adhere to stringent contractual technical specifications and standards, and our customers may require our manufacturing facilities and products to be pre-approved and/or accredited by various agencies before placing orders for our products. If we fail to adhere to the aforesaid requirements or changes thereto in a timely manner, or at all, our cash flows, operations and/or profitability could be adversely affected. Our top customers may vary from period to period depending on order bookings. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship or pre-qualified status with our key customers.

10. Our operations are subject to high working capital finance requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

We require substantial amounts of working capital for our business operations, and the failure to obtain required working capital on attractive terms or at all, may materially and adversely affect our growth prospects and future profitability. We require substantial capital to maintain and operate our production facilities.

Our total working capital debt (including bills discounting) as of September 30, 2023, amounting to ₹ 15,125.45 lakh. We rely on debt financing to meet our working capital requirements. We cannot assure that we will be able to raise additional debt in a timely manner or on acceptable terms in the future to finance our working capital, and this may materially and adversely affect our business.

11. Our inability to successfully implement our strategies could adversely affect our growth and future profitability.

Our ability to successfully implement our strategies of enhancement of health and hygiene division and other value-added products, expanding our sales to other countries and increasing our production capacity are subject to variety of risks, including delay in commissioning, unanticipated cost increases, non-availability of adequate funds, the required personnel and other risks. Further, there can be no assurance that these strategies will be completed in a timely manner or at the cost levels anticipated by our Company.

. In the event our Company is unable to successfully execute the aforesaid strategies, the benefits expected upon its implementation, our profitability, financial condition, and results of operations expected from growth could be materially adversely affected.

12. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.

Our Company proposes to utilize the Net Proceeds for the Issue towards repayment of loans and general corporate purpose. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “*Objects of the Issue*” on page 40. In addition, we cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability, or an increase in the value of our business and your investment.

13. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on the results of our operations and profitability.

Any material interruption at our manufacturing facilities, including but not limited to power failure, fire and unexpected mechanical failure of equipment's and labour unrest could reduce our ability to meet the conditions of our contracts and earnings for the affected period. Irregular or any interruption in supply of power including from our captive windmills or water are factors that could adversely affect our daily operations. If there is an insufficient supply of electricity or water to satisfy our requirements, we may need to limit or delay our production, which could adversely affect our business, financial condition, and results of operations. We cannot assure you that we will always have access to sufficient supplies of electricity in the future to accommodate our production requirements and planned growth. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to procure various supplies and products to meet our production requirements, which could affect our profitability.

14. Export destination countries may impose varying duties on yarn or enter into free trade agreements with countries other than India. Any increase in such duties or the entry into free trade agreements with countries other than India may materially adversely affect our business, financial condition, and results of operations.

Our revenues from exports amounted to ₹18,801.83 lakh and ₹16,282.74 lakh in Fiscal 2023 and for the six months period ended September 30, 2023, which represented approximately 49.23% and 60.80% of our revenues from operations for the respective periods. The destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such destination countries will not increase. Any change or increase in such duties may adversely affect our business, financial condition, and results of operations. Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements may place us at a competitive disadvantage compared to manufacturers in other countries and may adversely affect our business, financial condition, and results of operations. Further, adverse changes in import policies in countries to which we export our products may have a particularly significant adverse impact on our business, financial condition, and results of operations.

15. We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition, and results of operations.

We face huge competition in our industry from the existing players and new entrants especially producers of man-made fibre, which is a cheaper alternative to the natural fibre we use. If there is a change in trend and increase in demand of man-made fibre may put pressures on pricing, product quality, turnaround time, order size etc., which may put strain on our profit margins. Failure to compete with producers of man-made fibre may have adverse effect on our business, financial condition, and results of operations.

16. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required at our manufacturing units and of our products from manufacturing units to our customers, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic and overseas customers. Transportation strikes have had in the past, and could again have in the future, an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials, and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. Failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition, and results of operations.

17. We introduce new value-added products for our customers and there is no assurance that our new products will be profitable in the future. Further, we face additional risks as we expand our product offerings and grow our business.

In order to continue to expand our businesses and profitability, we introduce new value added products in our existing lines of business. Failure to consider, identify and provide for all additional risks may result in an adverse financial impact on us. Such new products would result in incurring additional costs and we cannot guarantee that such new products will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to obtain sufficient financing to support or a failure to understand customer demand and market requirements. If we are unable to achieve the intended results with respect to our offering of new products, or manage the growth of our business, our financial condition, cash flows, results of operations and prospects could be materially adversely affected.

18. Inconsistent product quality could lead to customer dissatisfaction, hampering reputation, sales and business which may materially and adversely affect our business and prospects.

We face business risks relating to our products not meeting the customer's technical specifications or the required quality standards. Some of our manufacturing products i.e., yarns accredited with Certified Organic Cotton and BCI certifications etc. We have prescribed stringent quality checks and continue to improve its resource utilization and minimize in-process rejections by leveraging quality tests across all manufacturing facilities. We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could not still be some deviation from prescribed quality standards due to factors such as human error. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet our customers' expectation could adversely affect our business, result of operations and financial condition. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are delivered to our customers. In case our products do not meet the customer, requirements or fails to adhere to the technical specifications or quality standards, our customers may cancel the order. Any such cancellation by our customers may adversely affect our reputation and brand image, which could adversely affect our business, results of operations and financial condition.

19. We are subject to strict quality requirements, and any failure to comply with quality standards may lead to the cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects.

Our customers maintain strict quality and certification procedures. Our products go through various quality checks at various stages. Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs and business management systems at our manufacturing facilities include ISO 9001-2015 certification and

Despite strict adherence to quality control programs and business management systems, we cannot assure you that our quality control processes will not fail, or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims

20. *We are dependent on our senior management and other key personnel as well as certain intermediaries, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations, financial condition, and cash flows.*

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. For further information of our key management personnel, see “*Our Management and Organisational Structure*” on page 69. There can be no assurance that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition, and cash flows.

21. *We require various licences and approvals for undertaking our business and if we fail to obtain, maintain, or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.*

Our operations are subject to government regulations, and we are required to obtain and maintain several statutory and regulatory permits, approvals, and consents under central, state, and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Further, certain approvals for our manufacturing facilities are required to be applied or renewed on an ongoing basis. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

22. *We have in the past entered related party transactions and may continue to do so in the future. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.*

We have entered transactions with related parties. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter related party transactions in the future, and such transactions may potentially involve conflicts of interest. For further information on our related party transactions, see “*Financial Information*” on page 70. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition, and cash flows. In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected.

23. *If we are unable to successfully execute our growth strategies, our business prospects, and results of operations could be materially and adversely affected.*

We propose to expand our business by adopting a series of strategies. For further details, see “*Our Business – Our Strategy*” on page 60. Our growth depends on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational, and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to several factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses.

24. *If we are unable to collect our dues and receivables from our customers, our results of operations and cash flows could be materially and adversely affected.*

Our business depends on our ability to successfully obtain payment from our customers of the amount they owe us for the products delivered in timely manner. Our Company generally extends the benefit of a credit period of up to 180 days to its customers, however, the same is not uniform and it varies on a case-to-case basis. Our average credit cycle has been 20 days and 15 days in Fiscal 2023 and in the six months period ended September 30, 2023, respectively.

We cannot assure you that we will be able to accurately assess the creditworthiness of our customers. Macroeconomic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency, or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, cause us to enter into litigation for non-payment, all of which could increase our receivables. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our products, our cash flows could be adversely affected. Any significant decrease in or discontinuation of products manufactured from our products by customers in the industry or other industries from which we derive significant revenues in the future may reduce the demand for our products.

25. *We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.*

As of March 31, 2023, contingent liabilities disclosed in the notes to our Audited Financial Statements aggregated ₹7,635.80 lakhs. Our contingent liabilities that had not been provided for as on March 31, 2023 are set forth below:

| | | <i>(₹ in lakhs)</i> |
|---------|--|----------------------|
| Sr. No. | Particulars | As at March 31, 2023 |
| 1. | Bills discounted with Banks | 2,714.27 |
| 2. | Bank Guarantees issued in favour of Custom, Central Excise & Other Government Authorities. | 463.62 |
| 3. | Disputed Statutory Dues | |
| a) | The Income Tax Assessment of the Company have been completed up to Assessment Year 2017-2018. Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year 2017-2018 | 4.92 |
| b) | The Income Tax Assessment of the Company have been completed up to Assessment Year 2018-19. Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year 2018-19 | 4,358.58 |
| c) | Disputed Sales Tax liability for which appeal is pending before Sales Tax authorities relating to financial year from 2009-2010 | 80.13 |

| Sr. No. | Particulars | As at March 31, 2023 |
|---------|--|----------------------|
| d) | Disputed Goods & Service Tax Liabilities for which appeal is pending before different GST authorities relating to financial year 2017-2018 and 2018-2019 | 14.28 |
| | Total | 7,635.80 |

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

26. We may face a risk on account of not meeting our export obligations. Our failure to fulfil these export obligations in full may make us liable to pay duty proportionate to unfulfilled obligation along with the interest.

We have obtained licenses under Export Promotion Capital Goods Scheme (“EPCG”) for import of capital goods without payment of duty and GST; and under Advance Authorisation Scheme for import of inputs without payment of duty and / or GST. As per the licensing requirement under the said scheme, we are required to export goods of a definite amount, failing which we will have to make payment to the Government of India equivalent to the duty saved by us along with the interest. Though in the past we have not been penalised for non-fulfilment of the export obligations under the EPCG Scheme; there can be no assurance that we would be able to meet the export obligations in the future. In case we fail to fulfil these export obligations in full; we will have to pay duty proportionate to unfulfilled obligation along with the interest.

27. We are subject to stringent labour laws of India. Any strike, labour unrest, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on September 30, 2023 we have about 800 skilled and unskilled employees.

Our dependence on contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates. We are also subject to a number of stringent labour laws of India that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force such as strikes, labour unrests, work stoppages or increased wage demands, which may adversely affect our business.

If labour laws of India where-in we have manufacturing units become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows. We also enter into contracts with independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by contractors should the contractor’s default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labour as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows. We are subject to stringent labour laws of India and other jurisdictions and also to other industry standards and any strike, labour unrest, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.

28. We are subject to export and import controls that could adversely impact our business.

We are subject to export and import control laws that limit us to where and to whom we can sell our products which could result in postponements or cancellations of product orders. In addition, various countries have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export or import of our products to certain countries altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Delays caused by our compliance with regulatory requirements in obtaining or maintaining any regulatory approvals that may, in the future, be required to operate our business could materially affect our business and operating results. We may also be unable to secure raw materials components or software for our capital equipment due to export control laws, as a result of which, our supply chain may be disrupted and we may be unable to provide our products to customers, which can result in a loss of business for us.

29. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of September 30, 2023, we employed about 800 personnel across our operations. Although we have not experienced any material labour unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent, or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

30. Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.

Our operations are subject to various risks inherent in the manufacturing industry including defects failures of manufacturing equipment, fire, riots, strikes, explosions, accidents and natural disasters. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. Our key insurance policies consist of industrial all risk policy, sookshma udyam suraksha policy, workmen compensation policy and marine insurance policy.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

31. Our Company's ability to pay dividends in the future will depend on future earnings, financial condition, cash flows, working capital requirements and required or planned capital expenditures and terms of its financing arrangements.

Our Company did not pay dividend to our shareholders for the Fiscal 2023. Our ability to pay dividends in future will depend on the earnings, financial condition, and capital requirements of our Company. Our business is capital intensive as we are required to innovate from time to time to increase margins, which may require us to invest all, or part of the profits generated by our business operations. Further, we may not be able to distribute dividends in certain circumstances such as default in payment of interest and/or principal, amongst others, based on certain of our high-

cost financing arrangements. Our Company may be unable to pay dividends in the near or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition, and results of operations. Any inability to pay dividends in the future may adversely affect the trading price of the Equity Shares of our Company. For further details, please see “*Financial Information*” on page 70.

32. Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. We cannot assure you that compliance with such laws and regulations will not result in a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, manufacturing activities in India are also subject to various health and safety laws and regulations as well as laws and regulations governing their relationship with their respective employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring, and terminating employees and work permits. Accidents, in particular fatalities, may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

Non-compliance with these laws and regulations could expose us to civil penalties, criminal actions, and revocation of key business licences. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition.

33. Industry information included in this Letter of Offer has been derived from a publicly available information. There can be no assurance that such third- party statistical, financial, and other industry information is complete, reliable or accurate.

We have not independently verified data obtained from industry publications and other external sources referred to in this Letter of Offer and therefore, while we believe them to be accurate, complete, and reliable, we cannot assure you that they are accurate, complete, or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to India, its economy, the textile industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete, or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

34. The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency and shall be purely dependent on the discretion of the management of our Company.

Since the size of the Issue is less than ₹ 10,000 lakh, no monitoring agency is required to be appointed by our Company to oversee the deployment of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. The Board of Directors of our Company through Audit Committee will

monitor the utilization of the Issue proceeds. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our business and financial condition.

EXTERNAL RISK FACTORS

35. Our business is affected by prevailing economic, political, and other prevailing conditions in India and the markets we currently service.

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian economy, which in turn may adversely impact our business, prospects, financial performance, and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

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

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

37. Terrorist attacks, civil disturbances, regional conflicts, and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition, and trading price of our Equity Shares

38. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations may adversely affect our business results of operations, cash flows and financial performance.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation, and implementation of any amendment to, or change to governing laws, regulation, or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas

operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition, and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

Risks relating to the Equity Shares

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

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

40. Our Company will not distribute the Issue Materials to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Issue Materials to such Shareholders who have provided an address in India for the service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. However, our Company cannot assure you that the regulator would not adopt a different view with respect to compliance with the Companies Act and may subject our Company to fines or penalties.

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

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circulars, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before February 23, 2024), to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialised form (except in case of transmission or transposition of Equity Shares).

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

43. 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. 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.

Any changes in the Finance Act 2023 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.

44. You may not receive the Equity Shares that you subscribe in the Issue until approximately fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

45. 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 Exchange 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 Exchange. 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.

46. 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.

47. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.

The Rights Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

48. 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.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on August 14, 2023, pursuant to Section 62(1) (a) of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” on page 135.

| | |
|---|--|
| Equity Shares proposed to be issued | Up to 1,87,49,550 Rights Equity Shares |
| Rights Entitlements | 3 Rights Equity Shares for every 2 Equity Shares held on the Record Date. |
| Record Date | January 30, 2024 |
| Face value per Equity Share | ₹ 5 |
| Issue Price per Rights Equity Share | 20.00 |
| Issue Size | Up to ₹3,750.00 lakh* *Assuming full subscription |
| Equity Shares issued prior to the Issue | 12,510,000 Equity Shares of ₹ 5 each |
| Equity Shares subscribed prior to the Issue | 12,499,700* Equity Shares of ₹ 5 each |
| Equity Shares paid up prior to the Issue | 12,499,700* Equity Shares of ₹ 5 each |
| Equity Shares issued and subscribed after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | 3,12,59,550 Equity Shares of ₹ 5 each |
| Equity Shares paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | 3,12,49,250 Equity Shares of ₹ 5 each |
| Security Codes | ISIN: INE123B01028 BSE: 521109 NSE: NAGREEKEXP ISIN for Rights Entitlements: INE123B20010 |
| Use of Issue Proceeds | For details, see “ <i>Objects of the Issue</i> ” on page 40. |
| Terms of the Issue | For details, see “ <i>Terms of the Issue</i> ” on page 135. |
| Terms of Payment | The full amount of the Issue Price being ₹ 20 will be payable on application. |

*10,300 Equity Shares have been forfeited in the year 2006-2007 by our Company.

GENERAL INFORMATION

Our Company was incorporated as “Nagreeka Exports Limited” on March 6, 1989 as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation received from the Registrar of Companies, West Bengal at Kolkata (“RoC”). Our Company was granted a certificate of commencement of business by the RoC on March 17, 1989.

Registered Office, Corporate Identity Number and Registration Number

Nagreeka Exports Limited

18, R.N. Mukherjee Road,
Third floor, Kolkata – 700001
West Bengal, India

Telephone: +9133-22108827

E-mail: rinagreeka@nagreeka.com

Website: www.nagreeka.com

Corporate Identity Number: L18101WB1989PLC046387

Registration Number: 046387

Changes in the Registered Office Address

On May 26, 2018, our registered office was shifted from 18, R.N. Mukherjee Road, sixth floor, Kolkata-700001, West Bengal, India to our current registered office situated at 18, R.N. Mukherjee Road, third floor, Kolkata-700001, West Bengal, India.

Address of the RoC

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

Registrar of Companies

Registrar of Companies, Nizam Palace,
MSO Building, 2nd Floor, 234/4, A.J.C.B Road,
Kolkata – 700020,
West Bengal, India

Company Secretary and Compliance Officer

Jyoti Sinha Banerjee

18, R.N. Mukherjee Road,
Third floor, Kolkata – 700001
West Bengal, India

Telephone: +9133-22108827

E-mail: rinagreeka@nagreeka.com

Statutory Auditors of our Company

M/s B. Nath & Co, Chartered Accountants

Shantiniketan Building, 8 Camac Street
2nd Floor, Room no 4
Kolkata – 700 017

Contact Person: Gaurav More

Telephone: +91 -9836627993

E-mail: gauravmore1@yahoo.com

Firm registration no. 307057E

Peer Review: 010054

Lead Manager to the Issue

Prime Securities Limited

1109/1110, Maker Chambers V,
Nariman Point, Mumbai 400 021,
Maharashtra, India

Telephone: +91 22 61842525

Email: projectrenewtex@primesec.com

Investor Grievance Email: projectrenewtex@primesec.com

Website: www.primesec.com

Contact Person: Apurva Doshi

SEBI Registration No.: INM000000750

Statement of responsibilities

Since Prime Securities Limited is the sole Lead Manager to the Issue, and all the responsibilities pertaining to co-ordination and other activities, in relation to the Issue, shall be performed by them.

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.

4th Floor, State Bank Building
N.G.N Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India

Telephone: +91 22 2266 3353

Registrar to the Issue

Maheshwari Datamatics Private Limited

23, R N Mukherjee Road, 5th Floor,
Kolkata – 700 001, West Bengal, India

Telephone: +91 33-2248-2248/2243-5029

E-mail: mdpldc@yahoo.com

Investor grievance E-mail: mdpldc@yahoo.com

Website: www.mdpl.in

Contact Person: Ravi Kumar Bahl

SEBI Registration No.: INR000000353

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (. For details on the ASBA process, see “*Terms of the Issue*” on page 135.

Expert

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

Our Company has received a written consent from our Statutory Auditors, M/s B. Nath & Co, Chartered Accountants, to include their name in this Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of their reports on Audited Financial Statements and the Limited Review Unaudited Financial Results, included in this Letter

of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

Our Company has received a written consent from S.R. Patil & Associates, Chartered Engineer, dated October 6, 2023 to include their name in this Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as chartered engineer of our Company and in respect of the inclusion of their report included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

Banker to the Company

Canara Bank Limited

Mid Corporate Branch II
DP Code- 19768, 21 Camac Street
Bell's House, 2nd Floor
Kolkata – 700 016

Contact Person: Rameshkumar Singh

Telephone: +91-33-22903852

E-mail: cb19768@canarabank.com

Website: www.canarabank.com

CIN: U67190KA1906PLC001069

Banker to the Issue and Refund Banker

HDFC Bank Limited

FIG OPS Department
Lodha – I Think Techno Campus, O – 3 Level
Next to Kanjurmarg Station
Kanjurmarg East, Mumbai – 400 042

Contact Person: Eric Bacha/ Sachin Gawade / Pravin Teli / Siddharth Jadhav / Tushar Gavankar

Telephone No; 022 30752 914 / 28 / 29

Contact person: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com

Website: www.hdfcbank.com

CIN: L65920MH1994PLC080618

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 <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> 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.

Issue Schedule

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

| | |
|--|---------------------------|
| Issue Opening Date | Monday, February 12, 2024 |
| Last Date for On Market Renunciation of Rights Entitlements[#] | Monday, February 19, 2024 |
| Issue Closing Date[*] | Friday, February 23, 2024 |
| Finalization of Basis of Allotment (on or about) | Monday, March 4, 2024 |
| Date of Allotment (on or about) | Tuesday, March 5, 2024 |
| Date of credit (on or about) | Thursday, March 14, 2024 |
| Date of listing (on or about) | Tuesday, March 19, 2024 |

[#]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., February 23, 2024 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., February 23, 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager 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. For details on submitting Application Forms, see “*Terms of the Issue*” beginning on page 135.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.mdpl.in after keying in their respective details along with other security control measures implemented there at. For further details, see “*Terms of the Issue*” on page 135.

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

Credit Rating

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

Debenture Trustee

This being a Rights Issue of Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Since the Issue size does not exceed ₹ 10,000 lakh there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.

Appraising Entity

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

Underwriting

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

Filing

This Letter of Offer is being filed with the Stock Exchanges and SEBI as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously while filing this Letter of Offer with the Designated Stock

Exchange, do an online filing with SEBI through the SEBI intermediary portal at www.siportal.sebi.gov.in, in terms of the SEBI ICDR Master Circulars.

Minimum Subscription

Our Promoters, Sushil Patwari, Sunil Ishwarlal Patwari and Mahendra Ishwarlal Patwari, by letter dated October 23, 2023 and December 28, 2023 (the “**Promoters Subscription Letters**”) on behalf of the Promoters or other member(s) of our Promoter Group of the Company have confirmed that they shall (i) subscribe to their Rights Entitlements in the Issue or renounce a portion of their Rights Entitlements in favour of the other Promoters or member(s) of our Promoter Group and (ii) will further subscribe to such number of additional Rights Equity Shares for any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group or through third party investors as may be required to ensure that aggregate subscription in the Issue shall be 90% of the Equity Shares offered in the Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

CAPITAL STRUCTURE

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

| Particulars | Aggregate value at nominal value | Aggregate value at issue price |
|---|----------------------------------|--------------------------------|
| <i>(In ₹ lakhs, except share data)</i> | | |
| AUTHORISED SHARE CAPITAL | | |
| 34,000,000 Equity Shares of ₹ 5 each | 1,700.00 | |
| 3,000,000 Preference Shares of ₹ 10 each | 300.00 | |
| TOTAL AUTHORISED SHARE CAPITAL | 2,000.00 | |
| ISSUED SHARE CAPITAL | | |
| 12,510,000 Equity Shares of ₹ 5 each | 625.50 | |
| 2,500,000 Preference Shares of ₹ 10 each | 250.00 | |
| Total | 875.50 | |
| SUBSCRIBED AND PAID UP SHARE CAPITAL | | |
| 12,499,700** Equity Shares of ₹ 5 each | 624.99 | |
| Add: 10,300 Equity Shares Forfeited | 0.52 | |
| Total | 625.51 | |
| PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾ | | |
| Up to 1,87,49,550 Rights Equity Shares (for Eligible Equity Shareholders) of ₹ 5 each | 937.48 | 3,749.91 |
| ISSUED SHARE CAPITAL AFTER THE ISSUE⁽¹⁾⁽²⁾ | | |
| 3,12,59,550 Equity Shares of ₹ 5 each | 1,562.98 | |
| 2,500,000 Preference Shares of ₹ 10 each | 250.00 | |
| Total | 1,812.98 | |
| SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE | | |
| 3,12,49,250 Equity Shares of ₹ 5 each | 1,562.46 | |
| Add: 10,300 Equity Shares Forfeited | 0.52 | |
| Total | 1,562.98 | |
| SECURITIES PREMIUM ACCOUNT | | |
| Before the Issue | | 2,183.64 |
| After the Issue | | 4,996.07 |

⁽¹⁾The Issue has been authorised by our Board through its resolution dated August 14, 2023 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

⁽²⁾Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

*Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

**10,300 Equity Shares have been forfeited by our Company.

Notes to Capital Structure

1. Shareholding Pattern of our Company

- i. The details of the shareholding pattern of our Company as on December 31, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/nagreeka-exports-ltd/nagreekeexp/521109/shareholding-pattern/> and NSE at <https://www.nseindia.com/companies->

listing/corporate-filings-shareholding-pattern?symbol=NAGREEKEXP&tabIndex=equity

- ii. The details of shareholders of our Company holding 1% or more of the paid-up capital as on December 31, 2023 can be accessed on the website of BSE at [https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=521109&qtrid=120.00&CompName=NA GREEKA%20EXPORTS%20LTD.-\\$&QtrName=December%202023&Type=TMand NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=NAGREEKEXP&tabIndex=equity](https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=521109&qtrid=120.00&CompName=NA GREEKA%20EXPORTS%20LTD.-$&QtrName=December%202023&Type=TMand NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=NAGREEKEXP&tabIndex=equity)
- iii. The details of the Equity Shares held by our Promoter and members of our Promoter Group as on December 31, 2023, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=521109&qtrid=120.00&QtrName=December%202023and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=NAGREEKEXP&tabIndex=equity>
- iv. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2023 can be accessed at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=521109&qtrid=120.00&QtrName=December%202023 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=NAGREEKEXP&tabIndex=equity>

2. **Details of outstanding instruments as on the date of this Letter of Offer**

As on the date of this Letter of Offer, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares or any other right, which would entitle any person to any option to receive Equity Shares.

3. No Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as on December 31, 2023
4. Our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Letter of Offer with Designated Stock Exchange.

5. **Intention and extent of participation by our Promoters and Promoter Group**

Our Promoters, Sushil Patwari, Sunil Ishwarlal Patwari and Mahendra Ishwarlal Patwari, by letter dated October 23, 2023 and December 28, 2023 (the “**Promoters Subscription Letters**”) on behalf of the Promoters or other member(s) of our Promoter Group of the Company have confirmed that they shall (i) subscribe to their Rights Entitlements in the Issue or renounce a portion of their Rights Entitlements in favour of the other Promoters or member(s) of our Promoter Group and (ii) will further subscribe to such number of additional Rights Equity Shares for any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group or through third party investors as may be required to ensure that aggregate subscription in the Issue shall be 90% of the Equity Shares offered in the Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

6. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ 38.47.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.
8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the “**Gross Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the following objects:

1. Repayment of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari
2. Redemption of outstanding cumulative non-convertible redeemable preference shares held by our Promoter, Sushil Patwari;
3. Funding capital expenditure of our Company; and
4. General corporate purposes.

(Collectively, referred to as the “**Objects**”)

The main object clause of our Memorandum of Association enables our Company to undertake its existing activities.

Issue Proceeds

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

| Particulars | Estimated Amount |
|------------------------------|-------------------------|
| Gross Proceeds* | 3,749.91 |
| Less: Issue related expenses | 64.00 |
| Net Proceeds | 3,685.91 |

(₹ in lakh)

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

Requirement of funds and utilisation of Net Proceeds

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

| Particulars | Estimated Amount |
|---|-------------------------|
| Repayment of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari | 1,220.10 |
| Redemption of outstanding cumulative non-convertible redeemable preference shares held by our Promoter, Sushil Patwari | 1,000.00 |
| Funding capital expenditure of our Company | 592.40 |
| General Corporate Purpose | 873.41 |
| Total Net Proceeds* | 3,685.91 |

(₹ in lakh)

* The amount utilised for general corporate purpose shall not exceed 25% of the Gross Proceeds

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

Utilization of Net Proceeds and schedule of implementation

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

| Particulars | Amount to be deployed from Net Proceeds | Estimated deployment of Net Proceeds | |
|---|--|---|--------------------|
| | | Fiscal 2024 | Fiscal 2025 |
| Repayment of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari | 1,220.10 | 1,220.10 | - |

| Particulars | Amount to be deployed from Net Proceeds | Estimated deployment of Net Proceeds | |
|--|---|--------------------------------------|---------------|
| | | Fiscal 2024 | Fiscal 2025 |
| Redemption of outstanding cumulative non-convertible redeemable preference shares held by our Promoter, Sushil Patwari | 1,000.00 | 1,000.00 | - |
| Funding capital expenditure of our Company | 592.40 | - | 592.40 |
| General Corporate Purpose | 873.41 | 873.41 | - |
| Total Net Proceeds* | 3,685.91 | 3093.51 | 592.40 |

* The amount utilised for general corporate purpose shall not exceed 25% of the Gross Proceeds

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

The above fund requirements are based on internal management estimates and have not been appraised by any bank, or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "Risk factors - The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring Agency and shall be purely dependent on the discretion of the management of our Company" on page 26.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Means of Finance

The requirements of funds for the Objects of the Issue detailed above are intended to be funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of the Objects of the Issue

1. Repayment of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari

Our Company has in the ordinary course of business entered into various financing arrangements to avail unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari. For details of the total borrowings, see "Financial Statements" beginning on page 72. As on September 30, 2023, we have ₹ 1,220.10 lakhs as outstanding borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari ("Outstandings") out of which we intend to pay ₹ 1,220.10 lakhs through the Net Proceeds of the Issue.

The following table provides details of of unsecured loans which are proposed to be redeemed from the Net Proceeds:

| Name of the Lender | Nature of the borrowing | Sanctioned amount (in ₹ lakhs) | Principal loan amount Outstanding (in ₹ lakhs) | Interest rate (% p.a.) | Repayment schedule | Prepayment conditions | Purpose for which disbursed loan amount was utilised |
|---------------------|-------------------------|--------------------------------|--|------------------------|---------------------|-----------------------|--|
| Shri Sushil Patwari | Unsecured Loan | Not Applicable | 810.10 | Interest free | Repayable on demand | Nil | Working Capital & General Corporate Purposes |
| Shri Sunil Patwari | Unsecured Loan | Not Applicable | 410.00 | Interest free | Repayable on demand | Nil | Working Capital & General Corporate Purposes |

Note: Our Statutory Auditors by way of their certificate dated November 4, 2023, have confirmed that our Company has utilised the loans for the purposes for which they were availed.

Our Company proposes to utilise such amount towards of repayment of of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari by adjusting the same against their application money to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlements (including Rights Entitlements renounced in their favour, if any) or subscription to Additional Rights Equity Shares (as the case may be) and consequently, no fresh proceeds would be received by our Company to that extent.

The repayment of Outstandings by utilizing the Net Proceeds will help reduce our outstanding indebtedness and improve our debt-to-equity ratio. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

2. Redemption of outstanding cumulative non-convertible redeemable preference shares held by our Promoter, Sushil Patwari

Our Company has issued certain cumulative non-convertible redeemable preference shares (collectively referred to as “**Preference Shares**”) aggregating to ₹ 1,000 lakhs. As of September 30, 2023, the amount outstanding for the Preference Shares issued by the Company was ₹ 1,000 lakhs. Our Company proposes to utilize an estimated amount of ₹1,000 lakhs from the Net Proceeds towards redemption of such Preference Shares held by one of our Promoters, Sushil Patwari. The following table provides details of Preference Shares which are proposed to be redeemed from the Net Proceeds:

| Name of the Preference Shareholder | Nature of borrowing | Amount sanctioned as on September 30, 2023 (in ₹ lakhs) | Principal amount outstanding as on September 30, 2023 (in ₹ lakhs) | Repayment shedule | Prepayment conditions | Dividend rate (% p.a.) |
|------------------------------------|--|---|--|---|-----------------------|------------------------|
| Sushil Patwari | Non Convertible Redeemable Preference shares | NA | 1,000 | Not later than the expiry of 20 years from the date of the issuance | Nil | 15% |

** Sushil Patwari vide subscription agreement dated August 14, 2017, was issued 2,500,000 Preference Shares. Such Preference Shares were to be redeemed in one or more tranches at any time as may be decided by the Board of Directors, but not later than 20 years from the date of issue of such Preference Shares*

The Board of Directors has vide resolution dated August 19, 2023 approved the settlement/ wavier of dividend

component accumulated on the aforementioned Borrowings and entered into a settlement letter dated August 16, 2023 with Sushil Patwari.

Our Company proposes to utilise such amount towards of redemption of outstanding cumulative non-convertible redeemable preference shares held by our Promoter, Sushil Patwari by adjusting the same against their application money to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlements (including Rights Entitlements renounced in their favour, if any) or subscription to Additional Rights Equity Shares (as the case may be) and consequently, no fresh proceeds would be received by our Company to that extent.

We believe the redemption of the Preference Shares and repayment of loans will reduce our outstanding indebtedness, improve our debt to equity ratio and enable utilization of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the increased leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business and to take advantage of waiver of sizable amount of interest components.

3. Funding capital expenditure of our Company

As of the date of this Letter of Offer, our Company has two manufacturing facilities at Kolhapur district in the state of Maharashtra with a combined production capacity of 55,440 spindles of Spinning Unit and 4,725 MT per annum of Textile Processing unit as of September 30, 2023 and capacity utilization of 55.39% and 92.78% respectively in the Financial Year 2023, according to the Chartered Engineer, pursuant to the certificate dated October 6, 2023. We seek to integrate technology into our processes at key stages of design and manufacturing to increase efficiency and ensure optimization and quality in a cost-effective manner. We have also introduced automatic and semi-automatic assembly machines and endeavor to control our manufacturing processes. We aim to continue to invest in machinery to increase our production capacity for our existing portfolio of products.

Estimated cost

The total estimated cost of the machinery proposed to be acquired from the Net Proceeds aggregates to ₹ 592.40 lakhs. The capital requirements, the deployment of funds and the intended use of the Net Proceeds, are based on our current business plan, management estimates, current and valid quotations from suppliers and other commercial and technical factors.

Set out below is a list of the machinery proposed to be acquired by of our Company and the details of the quotations obtained:

| Particulars | Quantity | Total estimated costs (in Euro)* | Amount proposed to be funded from the Net Proceeds (in ₹ lakhs) | Quotations received from | Valid till |
|---|----------------|----------------------------------|---|--------------------------|-----------------------------|
| Set of various fibre dyeing machines and accessories more particularly as described in Order confirmation 39/23 dated June 15, 2023 | 1 complete set | 16,80,000.00 or (₹1475.00 lakh) | 592.40 | Galvanin SPA - Italy | 26 th July, 2024 |

*These quotations are denominated in Euro, for the purposes of the above table, Euro-INR conversion rate of ₹87.80 as on September 30, 2023 has been assumed.

All quotations received from the above suppliers are valid as on the date of this Letter of Offer. However, we have not entered into any definitive agreements with any of the above suppliers which have provided quotations and there can be no assurance that the abovementioned suppliers would be engaged to eventually supply the machinery or that the abovementioned machinery would be purchased at the specified costs. The quantity of machinery to be purchased is based on the estimates of our Company's management. No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. Our Promoters, Directors, Key Managerial Personnel and Senior Management do

not have any interest in the proposed purchase of machinery and equipment, or in the entities from whom we have obtained quotations in relation to such activities.

4. General Corporate Purposes

The remaining Net Proceeds of ₹ 873.49 lakhs, shall be utilised towards general corporate purposes. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

Estimated Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹64.01 lakhs. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, and marketing expenses and other expenses.

The estimated Issue expenses are as under:

| Particulars | Estimates expenses | As a % of total estimated Issue related expenses | As a % of Issue size |
|---|--------------------|--|----------------------|
| Fees payable to the Lead Manager, Fees payable to the Registrar to the Issue, Fees payable to legal advisors and other intermediaries | 40.00 | 62.50 | 1.07 |
| Advertising and marketing expenses | 2.00 | 3.13 | 0.05 |
| Regulators including the SEBI and Stock Exchanges | 19.50 | 30.47 | 0.52 |
| Printing and distribution of issue stationery expenses | 2.30 | 3.59 | 0.06 |
| Other expenses (stamp duty) | 0.20 | 0.31 | 0.01 |
| Other expenses (miscellaneous expenses) | 0.00 | 0.00 | 0.00 |
| Total estimated Issue expenses* | 64.00 | 100.00 | 1.71 |

** Subject to finalisation of Basis of Allotment and actual 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 from the Issue.*

Appraisal of the Objects

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Interim Use of Funds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of 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 SEBI. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

Bridge Loan

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

Monitoring Utilization of Funds from Issue

As this is an Issue for an amount less than ₹ 10,000 lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

Strategic and Financial Partners to the Objects of the Issue

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

Key Industry Regulations for the Objects of the Issue

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

Other Confirmations

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

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

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Nagreeka Exports Limited
18, 3rd Floor, R N Mukherjee Road
Kolkata 700001, West Bengal.

Prime Securities Limited
1109 / 1110
Maker Chamber V
Nariman Point
Mumbai 400021, Maharashtra.

(Prime Securities Limited referred to as the “**Lead Manager**”)

Dear Sir,

Re: Proposed rights issue of equity shares of face value of ₹ 5 each (“Equity Shares”) of Nagreeka Exports Limited (“Company” and such offering, the “Issue”)

We report that the enclosed statement in the **Annexure I**, states the possible special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2023 (hereinafter referred to as “**Income Tax Laws**”), and indirect tax laws i.e. 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, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, 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 **Annexure I** 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 Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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.

We also consent to the references to us as “**Experts**” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer (“**Offer Document**”) of the Company or in any other documents in connection with the Issue.

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

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on

Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the above-mentioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchanges.

Yours faithfully,

For and on behalf of M/s. B Nath & Co
Chartered Accountants
Firm Registration No.: 307057E

Name: CA Gaurav More
Partner
ICAI Membership Number: 306466
UDIN: 233064663GSALX7331
Date: October 12, 2023
Place: Kolkata

ANNEXURE I

No special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2023 (hereinafter referred to as “**Income Tax Laws**”), and indirect tax laws i.e. 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.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The industry related information in this chapter is derived from the reports titled “Industry Outlook – Textile Outlook of India – Outlook and Challenges” dated May 30, 2023, prepared by Infomercials Valuation and Rating Private Limited (the “Industry Report”), except for other publicly available information as cited in this chapter. Neither we nor any other person connected with the Issue has verified the information in the Industry Report or other publicly available information cited in this chapter. Further, the Industry Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the Industry Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Industry Report.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Market Overview

The textile industry holds a prominent position in the Indian economy. This industry contributed 4 per cent to the global trade in textiles and apparel, 2 per cent to the national Gross Domestic Product (GDP), more than 12 per cent of the manufacturing sector’s GDP, and 7 per cent of industry output in value.

India’s textile and apparel exports (including handicrafts) stood at \$44.4 billion with an increase of 41 per cent year-on-year (yoy) basis in FY22. Currently, India’s textile industry contributes around 12 per cent to the country’s total exports which was 10.66 per cent in FY 2022. The market size of the global textile industry is around \$869 billion and expected to grow at 3.5 per cent CAGR (compound annual growth rate) to reach \$1000 billion by 2025-26. The growth of the Indian textile industry has been fostered by self-sufficiency by a diverse set of factors. Such factors are ample availability of raw material particularly natural fibres, cheap labour and strong entrepreneurial skills, flexibility in servicing smaller and specialized orders, cultural diversity and rich heritage, and natural demand drivers including rising income levels, increasing urbanization and growth of the disposable income.

The Indian textile industry is the second largest employment provider after agriculture. It is highly labour intensive, and the industry has significantly emerged as a source of income for the unskilled, semi-skilled, and women labour force in the country. It provides livelihood to more than 45 million people directly and more than 60 million people indirectly through its allied industries.

Major Segments of the Textile Industry

Indian textile industry is highly diversified and fragmented. The classification of textile industry can be done in two ways:

In terms of production process, the textile industry can broadly be structured as:

- *Organised textile industry:* Further, it can be divided into two segments i.e., spinning mills and composite mills.
- *Unorganised textile industry:* Under the unorganised classification, the segments like power loom, handloom, hosiery, knitting yarn and fabric processing units are major sub-segments.

Both the segments (organised and unorganised) are complementary to each other. For example, the organised sector is the sole producer of yarn, and it is simultaneously used by both the segments i.e., organised, and unorganised textile industry.

In terms of process and output, there are two key segments of textile industry as follows:
Process: Raw material => Ginning => Spinning => Weaving/Knitting => Processing => Garments/Apparel Production.

Output: Cotton, jute, silk, wool (raw Materials) => Fibre => Yarn => Fabric => Processing Fabric => Final Garments/Apparel.

As a final product, from the above two broad segments, we get woollen textile, silk textiles, jute textiles, and technical textiles. Textile industry is undergoing a major reorientation towards non clothing applications of textiles, i.e., technical textiles.

Raw Material Support

The raw materials are abundantly available for the Indian textile sector. In terms of raw materials and skilled manpower, India enjoys comparative advantage in cost of production over other global textile producing counterparts. The production of raw materials such as cotton, wool, silk, and jute in abundant quantity provides an edge to the textile manufacturing industries in India.

Cotton: Cotton is one of the most important cash crops of the country and it serves as the major source of raw material support to the domestic textile industry. India has emerged as one of the largest producers, consumers, and exporters of cotton in the world. In terms of raw materials needed to produce textile, cotton contributes 60 per cent alone to the raw material basket. It accounts for 25 per cent of the total global fibre production. Every year, about 300 lakh bales (~170 kg each) of cotton are consumed in India.

India has highest acreage production (production per unit of hectare) of cotton in the world. India has 133 lakh hectares of land on which the cotton crops are produced, which constitutes 41 per cent of the world area of 320.54 lakh hectares under cotton cultivation. Around 62 per cent of the total cotton production in India produced on rain-fed areas while rest 38 per cent production is on irrigated lands. During 2020-21, India's productivity was around 460 kg per hectare.

As per the Central Statistics Office data, India produced 40,66,000 tonnes of yarn in 2021-22 against the low base of 32,60,000 tonnes in 2020-21. Cotton production was hard hit by the Covid-19 pandemic. The devastating impact of the pandemic was discernible in the year 2020-21, when the production contracted (- 18.74 per cent) as compared to the previous year. The negative growth continued for two consecutive years, i.e., 2020-21 and 2021-22. This severely impacted the textile industry of the country.

Percentage Change in the Production of Cotton from 2012-13 to 2021-22

| Year | Production (% change) | | |
|---------|-----------------------|---------------------------------|--------------------|
| | Cotton Yarn (CSO) | Cotton Yarn (OTC ^o) | Blended Yarn (OTC) |
| 2012-13 | 14.60 | 14.60 | 4.93 |
| 2013-14 | 9.64 | 9.65 | 8.21 |
| 2014-15 | 3.22 | 3.21 | 2.68 |
| 2015-16 | 2.05 | 2.05 | 5.68 |
| 2016-17 | -1.84 | -2.00 | 6.38 |
| 2017-18 | 0.16 | 0.21 | 2.97 |
| 2018-19 | 3.50 | 3.55 | 1.53 |
| 2019-20 | -4.70 | -5.85 | -0.62 |
| 2020-21 | -18.74 | -8.50 | -11.35 |

| | | | |
|---------|-------|-------|-------|
| 2021-22 | 24.72 | 12.52 | 16.50 |
|---------|-------|-------|-------|

*OTC = Office of Textile Commissioner

Source: CMIE/ Infomerics Economics Research

However, the 2021-22 figures show a marginal improvement (y-o-y). But the industry still faced the consequences of low demand due to changing dynamics led by Russia-Ukraine war and looming recession in EU and the USA (United States of America).

India imported 'Foreign Cotton of all Staple Lengths' of value \$ 1,287.61 million during April to December 2022-23 with an increase of 222 per cent from \$ 399.05 million during the same period in the last financial year.

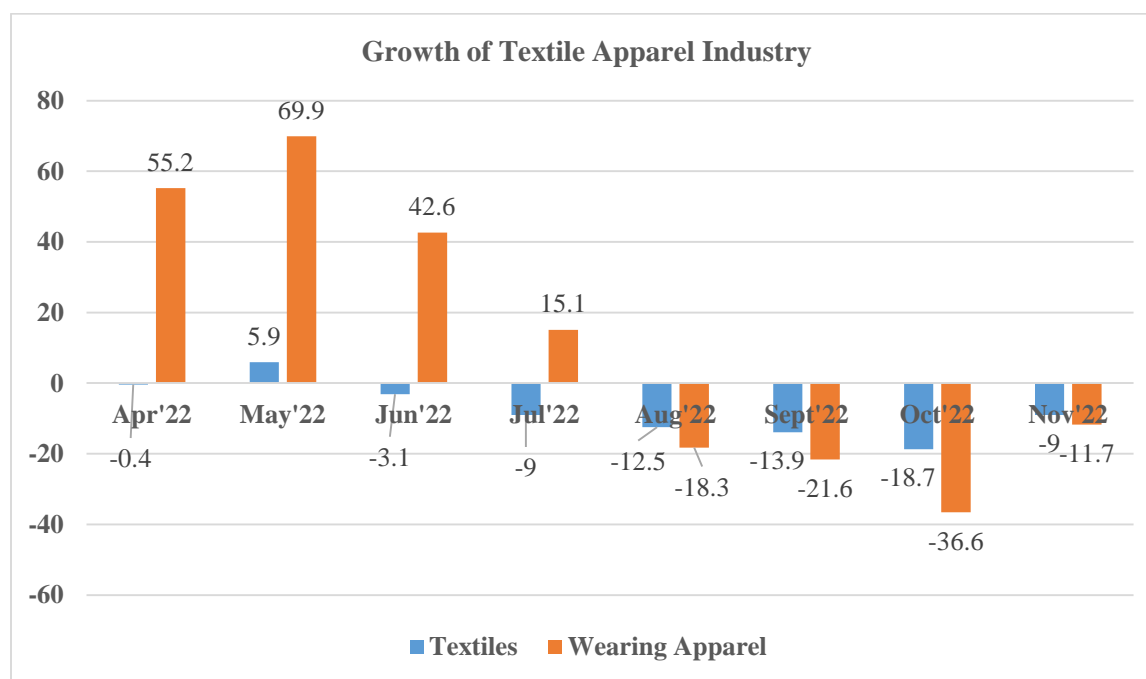
The cotton cultivation increased by 5 per cent to 125.02 lakh hectare as against 119.10 lakh hectare during last year. To encourage mechanized harvesting of cotton, improved quality of cotton and to reduce labour cost, brand named 'Kasturi Cotton India' for Indian cotton was launched.

Growth of Textile Industries in India

Growth of Textile and Apparel Industry

The textile industry and wearing apparel industry have a weightage of 3.3 per cent and 1.3 per cent, respectively in India's overall manufacturing segment. These segments recorded tepid growth as export demand for these products softened in conformity with the decelerating global growth.

Growth in Textile and Apparel Industry in India during FY23 (in %, YoY)



Source:

Economic Survey 2022-23

The distinctiveness of the textile industry lies in its strength both in the hand-woven sector and in the capital-intensive mill sector. The Indian mill sector is the second largest in the world. Traditional sectors like handloom, handicrafts and small-scale power loom units are the biggest source of employment for millions of people in rural and semi urban area. It provides direct and indirect employment and a source of livelihood for millions of people including many

women and rural population. This sector is aligned well with the Government's key initiatives of *Make in India*, *Skill India*, *Women Empowerment* and *Rural Youth Employment*.

Status of Textile Processing Industry in India

The textile processing industry reported a strong 18.7 per cent y-o-y growth in its sales revenues during the first quarter, which ended in June 2022. Its operating expenses corresponding to sales rose by 19.5 per cent. Raw materials, the industry's biggest operating expense, rose 22.8 per cent. Consequently, the industry's operating profit rose by 8.9 per cent, which was slower than revenue growth. Operating profit margin declined by 66 bps to 7.3 per cent. While interest declined by 8.8 per cent in non-operating expenses, depreciation remained almost at the previous year level. However, other income declined by 26.1 per cent. Therefore, the net profits of the industry rose by 8.1 per cent. The net profit margin deteriorated to 1.8 per cent in the reporting quarter from 2 per cent in the June 2021 quarter. The industry's June 2022 quarter performance was based on the interim results of 15 companies (CMIE, Industry Outlook). In the last three financial years, the profitability and distribution costs were not favourable for the textile processing industry in India.

Textile Processing Industry: Distribution of Costs & Profitability (in %)

| Year | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|--|-------|-------|-------|-------|--------|------|--------|-------|------|
| Operating expenses | 99.0 | 103.8 | 97.6 | 105.5 | 94.8 | 94.6 | 93.9 | 100.6 | 94.7 |
| Raw materials & purchase of finished goods | 73.4 | 71.2 | 72.5 | 69.1 | 67.7 | 68.3 | 68.2 | 64.2 | 69.8 |
| Salaries and wages | 4.8 | 5.2 | 5.7 | 4.7 | 5.8 | 5.8 | 6.5 | 7.1 | 6.1 |
| Power & fuel | 2.2 | 1.7 | 1.8 | 0.9 | 0.4 | 1.2 | 1.2 | 1.0 | 1.4 |
| Selling, marketing & distribution expenses | NA | NA | NA | NA | NA | 0.1 | 0.3 | 0.2 | 0.1 |
| Other expenses | 18.7 | 25.7 | 18.2 | 30.9 | 20.9 | 19.2 | 17.8 | 28.1 | 17.3 |
| Other income as % of total income net of P&E | 1.0 | 1.1 | 1.2 | 1.4 | 1.9 | 1.5 | 1.4 | 1.6 | 1.1 |
| Tax as % of PBT | -3.5 | 0.1 | -9.3 | 19.7 | -126.3 | 71.8 | -300.0 | -6.1 | 84.2 |
| Operating profit margin | 0.7 | -3.8 | -1.1 | -5.5 | 4.8 | 5.3 | 6.0 | -1.8 | 5.2 |
| Net profit margin | -12.9 | -15.8 | -11.6 | -8.8 | -1.8 | 0.0 | -1.0 | -9.1 | 0.2 |

**FY23, FY24 Figures are Projected/Estimated*

Source: CMIE/ Infomerics Economics Research

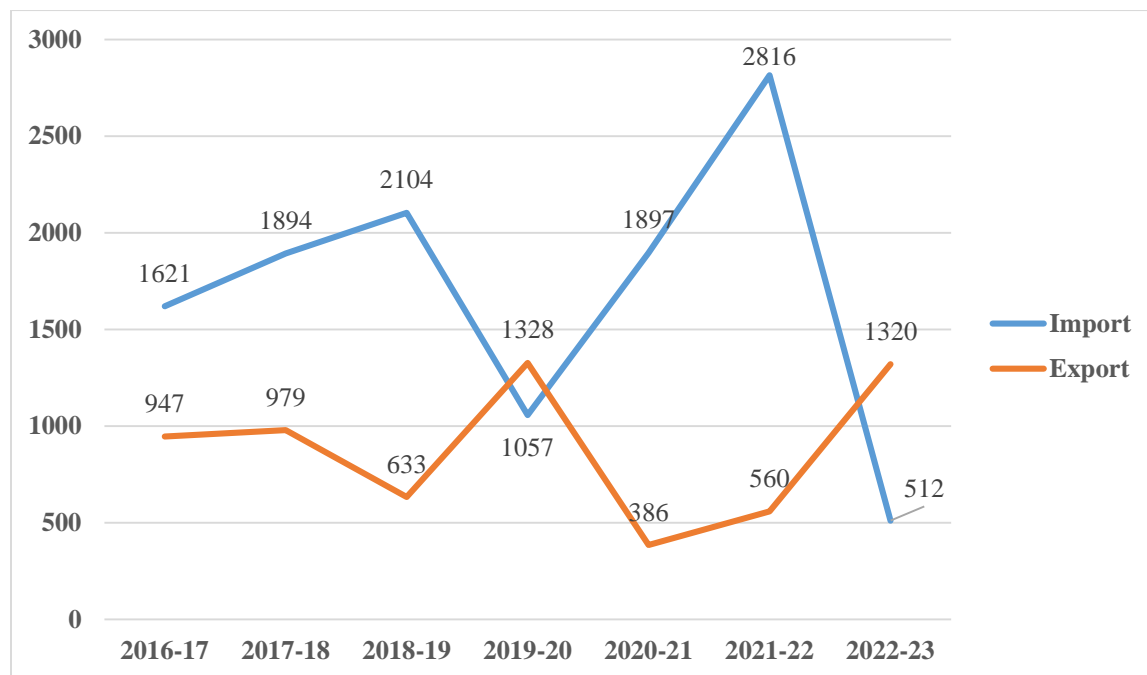
Export & Import of Textile Products

The textile industry of India is one of the largest in the world with vast raw material base and manufacturing capacity across the value chain. India is the 6th largest exporter of textiles and apparel in the world. Textiles. The Indian textile export basket consists of a wide range of items exported to over one hundred countries. India's textiles and clothing industry is one of the mainstays of the national economy. The share of textile and apparel (T&A), including handicrafts in India's total exports stood 12 per cent in 2020-21.

India's textiles products, including handlooms and handicrafts, are exported to more than 100 countries. The USA, EU-27 and UK, account for approximately 47 per cent of India's textiles and apparel exports. The Indian textile sector

faced trade deficit due to muted demand for its textiles, economic slowdown together with rising inflation in the west, and the geopolitical tensions between Russia and Ukraine. Despite the unfavourable circumstances, the sector showed resilience and managed to cross the pre-Covid level of textile and allied product exports in 2021-22.

Export and Import of Textile and Allied Products in \$ Million (2016-17 to 2022-23)
(Values in \$ Million)



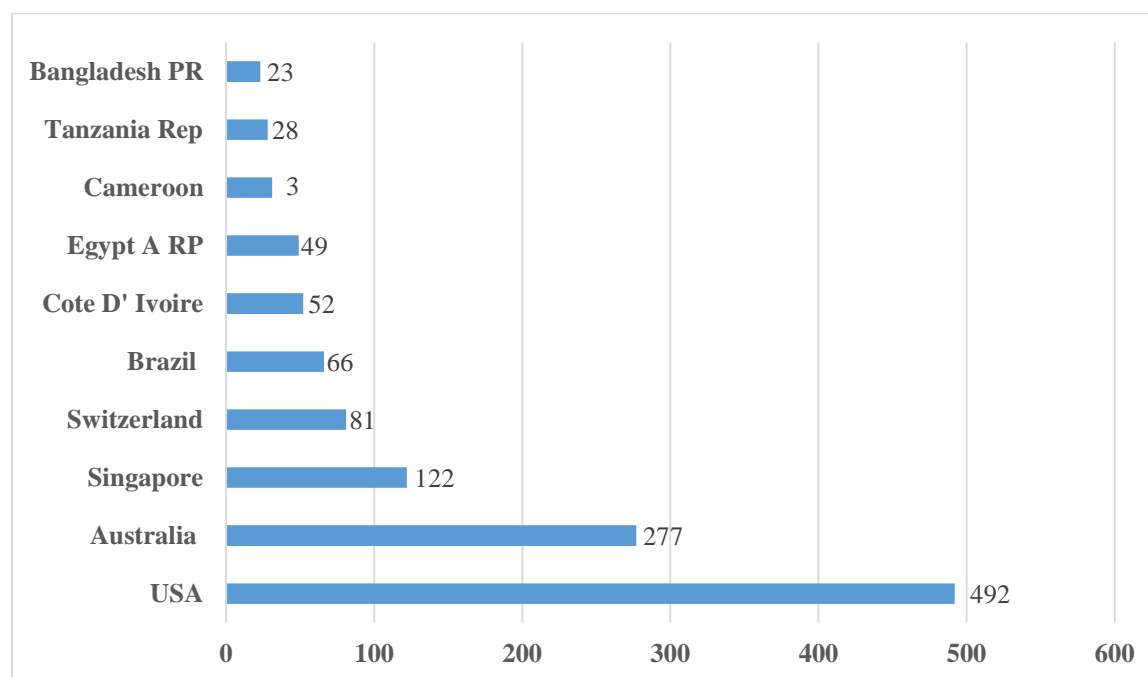
Source: Ministry of Commerce and Industry

As per the media reports, the textile exports from India are expected to fall 16 to 18 per cent (yoy) in FY23. The textile sector gradually recovered in FY21 and FY22. The overall textile exports from India, however, contracted by 13.4 per cent (yoy) at \$23.1 billion during the April-November 2022 period. The reasons for the persisting modest demand for textile commodities in the domestic as well as in the global market are - a) rising prices of textile products driven by higher raw material and logistic costs, and b) the looming recessionary situation in the USA and European nations.

These issues negatively impact the industry because the USA and some of the European countries are the biggest buyers of Indian textiles. Despite all these difficult circumstances, the domestic demand is expected to pick-up in the second half (H2) of the fiscal year 2023-24 as the sentiment of customers may improve during the festive season later.

The USA is the biggest market for India’s textile and allied products. India exported textiles and allied products of the value \$ 492 million during the fiscal year 2022-23. After the USA, Australia is on the second spot in the list with \$ 277 million exports of textiles and allied products from India followed by Singapore (\$ 122 million), Switzerland (\$ 81 million), and Brazil (\$ 66 million).

**India's Textile and Allied Product Exports to Top 10 Countries in Fiscal Year 2022-23
(Values in \$ Million)**



Source:

Ministry of Commerce and Industry, Government of India (GoI)

In the financial year 2022-23, April-December period, the export of groups consisting of commodities – flexible intermediate bulk containers of man-made textile materials and cotton yarn/fabrics/made-ups, handloom products, etc. registered a negative growth as compared to the corresponding period of previous financial year.

**Export Growth of Different Groups of Textiles for the last two years and current years
(Values in \$ Million)**

| Commodity | 2020-21 | 2021-22 | % Change | Apr-Dec 2021-22 | Apr-Dec 2022-23 | % Change |
|---|-----------|-----------|----------|-----------------|-----------------|----------|
| Flexible Intermediate Bulk Containers of Man-made Textile Materials | 52.83 | 77.05 | 45.84% | 58.28 | 46.3 | -20.55% |
| RMG of All Textiles | 12,272.21 | 16,014.81 | 30.5% | 11,126.87 | 11,841.78 | 6.43% |
| Cotton Yarn / Fabs / Made-ups, Handloom Products, etc. | 9,827.89 | 15,298.03 | 55.66% | 11,303.81 | 8,174.31 | -27.69% |
| Textile yarn Fabric, made-up articles | 1,501.52 | 2,065.45 | 37.56% | 1,507.59 | 2,061.15 | 36.72% |
| Toilet Linen and Kitchen linen, of Terry Towelling or Similar Terry Fabrics, of Cotton, other than Handloom | 1,042.01 | 954.25 | -8.43% | 710.91 | 750.82 | 5.61% |

Source: DGCI&S, Kolkata; DGFT, Ministry of Commerce and Industry

Institutional Initiatives

Infrastructure development is one of the seven priorities of the Union Minister of Finance as spelt out in her Union Budget 2023 speech in the Parliament. A sharper focus on better infrastructure for the industrial development would help textile firms to reduce their logistic costs. The main focus of the budget was on enhancing the yield of extra-long staples (ELS) variety of cotton that would help in increasing the production of value-added garments and to reduce imports dependency of ELS cotton. The extension of credit guarantee scheme for MSMEs (Micro, Small, and Medium Enterprises) with an infusion of ₹ 9,000 crore, collateral for ₹ 2 lakh crore loans to MSMEs, effective from April 1, 2023, would also help labour and capital-intensive textile industry to match with growth target of the Indian economy.

As a part of integrating India's international trade of textile, recently the Government of India signed a pact with Australia. The trade pact between India and Australia can play a catalytic role in the growth of the Indian textile industry. *The Economic Cooperation and Trade Agreement* between India and Australia came into effect on December 29, 2022. The two nations' business relations as well as the full range of goods and services are set to profit from this agreement, which is the first trade agreement between India and a developed nation in recent times.

The GoI is promoting technical textile at various platforms. Recently, the Ministry of Textiles is going to organise a flagship event in collaboration with *Federation of Indian Chambers of Commerce Industry (FICCI)* for the purpose of promotion of technical textiles, which includes textiles meant for some specific purposes like medical, defence, industrial, agriculture, automotive, building, packaging textiles, etc.

In order to position India as a global leader in technical textile, the Ministry of Textiles launched the scheme named - National Technical Textiles Mission (NTTM). Under this, an outlay of ₹ 1480 crore was allocated to promote and develop technical textiles sector in India, 74 research proposals valuing ₹ 232 crore were approved in the category of speciality fibre and technical textile. Other steps taken include development of 31 new HSN codes. The Synthetic & Rayon Textiles Export Promotion Council has been assigned the role of export promotional council for technical textiles.

There is another scheme named *Silk Samagra-2*, implemented for three years from 2021-22 to 2025-26 for the development of sericulture industry in the country. Recently, the Government approved the plan of setting up of *seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks*. The PM MITRA parks will have integrated large-scale and modern industrial infrastructure facilities for the entire value chain of the textile industry. It will help in reducing not only the logistic costs and improve the competitiveness of Indian textiles but also boost employment generation, attract domestic as well as foreign investment, and position India firmly in the global textile market. The parks are expected to create a total of one lakh direct and two lakh indirect employment.

Other schemes such as SAMARTH- *Scheme for Capacity Building in Textile Sector*, *National Handloom Development Programme*, *Raw Material Supply Scheme*, *National Handicraft Development Programme*, *Comprehensive Handicrafts Cluster Development Scheme*, *Integrated Wool Development Programme*, etc., have been implemented to promote and develop indigenous textile sector.

India has signed 13 Free Trade Agreements (FTAs), including the recently concluded Comprehensive Economic Partnership Agreement with UAE and Economic Cooperation and Trade Agreement with Australia, as well as six Preferential Trade Agreements with a variety of trading partners. Keeping in mind the national interest and domestic sensitivities, the Government entered into FTA negotiations with trading partners, such as, the United Kingdom, the European Union, and Canada to increase market access for Indian textiles. The production of knitted clothing is still extremely competitive. Indian textile factories struggle to satisfy capacity demands from global companies that want to buy what they need from just two or three suppliers.

Foreign Direct Investment

The Government of India has taken several steps to modernize the textile industry, enhance exports and to promote FDI in textile sector on a pan-India basis. The Union Minister of State for Textiles in a written reply to a question in Lok Sabha in December 2022, informed that FDI in the textile sector from 2017-2022 was \$ 1522.23 million. Over the years, India has put liberal and transparent investor-friendly Foreign Direct Investment (FDI) policy in place. There is 100 per cent FDI allowed in the textile sector under the automatic route. As per a survey report by the Confederation of Indian Textile Industry (CITI), the textile sector recorded private investment of about ₹ 10,000 crore in first half of 2022-23 (i.e., April 2022 to September 2022). But the investment slowed down to around ₹ 7,000 crore in second half of the current fiscal.

Industry Risks

The steady growth of the textile industry is hampered by obsolete machinery and the consequent need for modernization, low productivity and high cost of production, insufficient availability of quality cotton and ineffective implementation of the Scrapping policy. There are also issues of multi-layered issues involved in Quality Control Orders (QCO), negative impact of the cost of certification on sustainability, traceability and circularity, sickness and recession in the mill sector and inadequate incentivization necessitating formulation of the National Textile Policy.

New capacity additions in the cloth industry declined in the last four years. Project completions dropped from ₹ 4.45 billion in 2017-18 to ₹ 1.8 billion in 2018-19. It further dropped to ₹ 1 billion in 2019-20 and further to ₹ 415 million in 2020-21. The industry did not commission any new production capacities in 2021- 22. Barring a couple of years, the project completions in the industry never dropped below ₹ 3 billion since 1995-96. Cloth companies on an average commissioned projects worth over ₹ 8 billion in each of the years during 1995-2018 (CMIE, Industry outlook). Textile mills in India, when compared to their counterparts in other parts of the world, operate for highest number of working days (357) in a year, despite several public and gazetted holidays.

The survey tabled in Parliament by Finance Minister Smt. Nirmala Sitharaman on January 31, 2023, showed tepid growth in manufacturing industries like textiles, apparel, and leather. At present, the domestic production of textile industry turned sluggish because of higher input cost and cheaper garment imports. However, the sector showed resilience and recovered from the Covid-19 pandemic slump. Since, March 2022, the Index of Industrial Production (IIP) has consistently decreased. The IIP value decreased from 118.5 in March 2022 to 102.3 in October 2022. Also, on a cumulative basis from April to October 2022, the IIP value is lower than the corresponding period in 2021. The sector could not regain the level of production level achieved prior to the pandemic (see Table 6). Stagnant or declining production across the value chain, leveraging of Free Trade Agreements by Bangladesh, Vietnam, etc. to increase their export share, lack of Preferential Trade Agreements with key importers and longer lead time and high reliance on imports for almost all textile machinery causes concern. These and other issues need to be addressed speedily and effectively to enhance India's global competitiveness on a sustained basis.

Way Forward

The position of the textile industry in India can be understood by Porter's Five Forces model. The Five Forces model is named after Harvard Business School professor Michael E. Porter. Porter's 5 forces are:

- Competition in the industry
- Potential of new entrants into the industry
- Power of suppliers
- Power of customers
- Threat of substitute products

Considered in a historical perspective, the issues of high production costs, un-friendly labour law, logistic disadvantages, rising transaction cost, declining in mill sector, globalization have beleaguered the textile industry in

India. Rising inflation, Russia Ukraine war, geo-political disruptions, high energy prices, and depressed customer sentiments in the United States, Europe and other big markets resulted in declining growth rates in the second half (H2) of 2022. Most of the top companies, including Welspun, Vardhman, Arvind, Trident, KPR Mills, Indo Count, RSWM, Filatex, Nahar Spg, and Indorama in the textile sector witnessed an increase in cotton and yarn prices, leading to a demand drop of at least 10 per cent, so far, during the beginning of the FY23. The price of cotton in India more than doubled to cross ₹ 100,000 per candy during the current financial year, leading to an increase in yarn prices too. With persisting fears of the downturn caused, *inter-alia*, by higher domestic cotton prices and other costs, sluggish overseas orders, rising interest rates on bank loans and higher labour costs, the industry bodies have approached the Government seeking a ban on the futures trading of cotton and restrictions on cotton and yarn exports.

The Indian economy is better positioned and is outperforming major economies of the world. The globally synchronized deceleration stemmed from geopolitical headwinds, which impacted Europe, United States, and other big markets severely where the consumers cut their spending on cloths and apparel. It is expected that the slowdown would continue this year and the risk of layoff is imminent in the textile industry triggered by livelihoods of over 45 million people.

While the textile value chain is well-developed in India, the Indian textile industry is constrained by the conspicuous absence of the economies of scale. Automation and digitization are the core areas the Indian textile industry needs to go to scale and achieve efficiency in the process.

The Indian textile industry should take benefits out of the leverages Government is providing through support schemes like PLI, PM MITRA, Export incentives, setting-up of *Seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks* by the Government in Greenfield/Brownfield sites with an outlay of ₹ 4,445 crore for a period of seven years up to 2027-28 that may produce better results in coming years for the industry.

Further, the Indian technical textiles market has a lot of potential to grow and compete in the global markets. In order to improve this segment, there is a need to set some standards that can promote the technical textiles industry and ensure quality checks for the sector in consultation with the domestic industry in India. Standard quality norms together with the entry of large global retailers, enhanced capacities across the value chain, right investment incentives, competitive cost of capital and matching logistics infrastructure and free trade agreement with select large countries will provide an impetus to this industry, which has significant multiplier effects and high employment intensity. Tailwinds include strong domestic textile market, rapid expansion of the retail sector, the availability of quality cotton; besides presence of spinning, weaving, processing units, viscose, and polyester fibre mills across industrial clusters, the China Plus one sourcing strategy, the government's accent on textiles and investments.

In sum, modernization and effective use of technology is a pre-requisite to the growth and structural transformation of the textile industry in India.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 16, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 70 and 117, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Consolidated Financial Statements and Limited Review Interim Consolidated Financial Statements.

OVERVIEW

We are a part of the Nagreeka Group, incorporated in 1953 and founded by late Shri I. L. Patwari and his family. Incorporated in 1989, our Company is presently engaged in the business of manufacturing and trading of cotton yarn and speciality yarn ranging from 6s to 80s (single/multiple yarn) and fabrics. Our spinning unit is located at Kolhapur district of Maharashtra. At present, our Company has an installed capacity of 55,440 spindles in Ring Spinning. The manufacturing facility also houses the state-of-the-art Reiter, LMW and other machines to manufacture speciality yarn of various counts, we also have Uster & other equipment in the quality lab to ensure that there is the monitoring of each stage of the production process so that there are enough data points for continuous improvement of the products.

Our Company manufactures and Trades wide range of products like, Ring yarn, Compact yarn, TFO yarn, Open End yarn, Gassed yarn, Mercerised yarn, Slub yarn, Multi Count yarn, Melange yarn, Dyed Yarn, High Twist yarn, Core Spun yarn and Elitwist yarn. We have also set up textile processing plant at Kagal Kolhapurdistrict of Maharashtra. Our products are tailor-made to cater specific customer needs and we sell our products in domestic as well as international markets. Exports accounted for 60.80%, 49.23% and 67.33% of Revenue from Operations for the six months period ended September 30, 2023 and for Fiscals 2023 and 2022 respectively. The export sales on this scale are possible due to our global distribution network. As on September 30, 2023, we have marketing team and established marketing network of agent across India and in about 40 countries across the globe. We believe that such a global distribution network is instrumental in an effective supply-chain management as well minimizes risks that may emanate from any geographical concentration.

Our Promoters have a cumulative experience of over 116 years in the textile industry. Our Managing Director Sunil Ishwarlal Patwari has been on the Board of our Company since 1989 and has more than 4 decades of industrial experience in textile industry. Also, our Whole Time Director Mahendra Ishwarlal Patwari has been on the Board of our Company since 2004 and has rich experience in the textile industry.

OUR FINANCIAL PERFORMANCE

Our financial performance, on consolidated basis, for the six months period ended September 30, 2023 and September 30, 2022 and for the Fiscal 2023 and Fiscal 2022 are summarized below:

| Particulars | As at and for the six months period ended September 30, 2023* | As at and for the six months period ended September 30, 2022* | Fiscal 2023 (Audited) | Fiscal 2022 (Audited) |
|---|---|---|-----------------------|-----------------------|
| Revenue from operation (₹in lakhs) | 26,781.97 | 19,296.17 | 38,851.25 | 55,178.83 |
| EBITDA(₹in lakhs) | 1,409.62 | 405.08 | 1,842.46 | 2,898.59 |
| Net Profit/(Loss) after Tax (₹in lakhs) | 336.72 | (362.20) | 303.4 | 619.36 |
| Return on Equity | 2.69% | (2.90%) | 2.43% | 4.96% |

*Limited reviewed and unaudited.

OUR STRENGTHS

Established market presence in finer count yarn segment

We are a part of the Nagreeka Group, incorporated in 1953 and founded by late Shri I. L. Patwari and his family. We specialize in manufacturing and trading yarn of coarse and finer counts ranging from 6s to 80s (single/multiple yarn), besides other value-added products like Pinter slub, mercerised, melange, core spun, gassed yarn, TFO yarn, elitwist yarn and enjoying an established market presence in these products mainly driven by quality of our products and long-standing relationship with our customers. Our facility is ISO 9001-2015 certified and also has Oekotex certification. We are certified for Organic, OCS and Global Recycled (GRS) yarn. The manufacturing facility also houses the state-of-the-art Uster & Statex equipment in the quality lab to ensure that there is the monitoring of each stage of the production process so that there are enough data points for continuous improvement of the products. Our Company is dedicated towards quality of our products, processes and inputs. We adhere to quality standards as prescribed by our customers, which has given us a brand name among our customers.

Deep knowledge and understanding of optimal product assortment

We have a diversified product portfolio for which we focus on using our deep knowledge of the clusters and regions in which we operate to customise our product assortment keeping in mind international and domestic demands and preferences. We also continuously focus on enhancing the products that we manufacture. Further, we have a wide network of suppliers across the country and internationally and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. Our facility has an inventory and receivable management system which has resulted in a healthy working capital cycle. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices. Our procurement team on an ongoing basis conduct research to locate the best product sources, in relation to both quality and price, in order to improve our supplier network and have efficient supply and sale cycle.

Extensive experience of management team

The Board of Directors of our Company have a proven background and experience in the Textile industry. Our Managing Director Sunil Ishwarlal Patwari has been on the Board of our Company since 1989 and has more than 4 decades of industrial experience in textile industry. Also, our Whole Time Director Mahendra Ishwarlal Patwari has been on the Board of our Company since 2004 and has rich experience in the textile industry. Further, our Company is managed by a team of experienced personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities and help us in addressing and mitigating various risks inherent in our business, including significant competition and fluctuations in raw cotton prices.

Established Marketing Setup

Our Company has been producing yarn since the year 1993. Over the years, we have established a strong customer base. Our Company has sufficient marketing expertise and marketing network across India and international markets. We have marketing team and established marketing network of Agent across India and in about 40 countries across the globe. Our customers are at Bangladesh, Peru, Srilanka, Malaysia, Columbia, Egypt, Portugal etc. where we market our products to fabric manufacturers and garment manufacturers.

We are supported by reputed brand like H&M, Primark, Inditex, Carrefour, IKEA and other third parties across geographies with whom we have been associated for more than 2 decades. We believe that our long-standing relationships with such reputed brands network has been possible due to the continued production of quality value-added products. Such relationships with third-party distributorship network have assisted us in scaling of our business, increasing our international presence and has helped us enhance our goodwill.

OUR STRATEGIES

Our strategic objective is to improve and consolidate our position as a yarn manufacturing and textile processing, we are developing additional stream for grey and processed fabrics which we are procuring from Third party vendors company in the global textile industry with a continuous growth philosophy.

Expanding our global presence

Through a combination of increased capacities, reduced costs, wider range of products, adhering to global standards, we intend to strengthen our global presence and become a key supplier of yarns and fabrics in international markets. For the half year ended September 30, 2023, Fiscal 2023 and Fiscal 2022, export of our products accounted for approximately 60.80%, 49.23% and 67.33% of total revenue from operations, respectively. We export fabric to various international markets of Europe, Sri Lanka and USA.

Capitalize the opening of new markets and enhancing our existing customer base

Our present customer base comprises of a large number of Indian and international companies/organisations. Our Company intends to add to these existing set of customers and geographies. With the growth in the consumption globally, we foresee a good opportunity to expand a range of products. these sectors. We are spearheaded by an experienced management team.

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over a long period of time. Our Company's philosophy is to sustain long-term relationship with most of bigger set of customers there by ensuring continuity. This approach helps us to monitor a potential product/ market closely and efficiently. Our existing clientele base is an example of our long-term business relationships.

LOCATION OF OUR BUSINESS

• Registered Office

Our registered office is located at 18, R.N. Mukherjee Road, 3rd Floor, Kolkata-700001.

• Properties

Our properties are located at below mentioned addresses:

| Sr. No. | Address | Description | Purpose for which the property is utilised | Property Type |
|---------|--|--|--|----------------|
| 1. | Laxmi Tekadi, Village Yavluj, Panhala District Kolhapur-416205 | All that piece or parcel of land situate at Village Yavaluj, Taluka and Registration Sub-District Panhala, District and Registration District Kolhapur, Admeasuring 24.96 acres | Spinning unit | Freehold land |
| 2. | Plot No. T-48, MIDC. Kagal – Hatkanangale Five Star Industrial Area, MIDC, Village – Talandage, Tal. Hatkanangale, Kolhapur 416236 | Land bearing Plot No T-48 admeasuring 127576 sqmtrs in Kagal Hatkanangale Five Star Industrial Area, Village Talandge, Taluka Hatkanangale within the Registration District of Kolhapur & Sub District of Hatkanangale | Textile Processing unit | Leasehold land |

DETAILS OF EXISTING PLANT, MACHINERY, TECHNOLOGY AND PROCESS:

A. Division: Spinning

Plant and Machinery

We have complete blow room, bale plucker machines, contamination detector machines, carding machines, combing machines, ring spinning machines, etc. to manufacture yarns.

EXISTING INSTALLED CAPACITY

Our existing manufacturing facilities include spinning units and a fabric unit with various machineries for different processes like mixing, blowing, carding, combing, drawing, spinning, mercerisation etc. The details of the existing capacity of the spinning units and the fabric unit are given below:

| Product | Units | Fiscal 2022 | | Fiscal 2023 | | As on September 30, 2023 | |
|-------------|----------|--------------------|----------------------|--------------------|----------------------|--------------------------|----------------------|
| | | Installed capacity | Capacity utilisation | Installed capacity | Capacity utilisation | Installed capacity | Capacity utilisation |
| Cotton yarn | Spindles | 55,440 | 94.56% | 55,440 | 55.39% | 55,440 | 81.96% |

PRODUCTS MANUFACTURED

i. Cotton Yarn

Our Company is engaged in the business of manufacturing cotton yarns. We produce products like, Ring yarn, Compact yarn, TFO yarn, Open End yarn, Gassed yarn, Mercerised yarn, Slub yarn, Multi Count yarn, Melange yarn, Dyed Yarn, High Twist yarn, Core Spun yarn and Elitwist yarn.

ii. Specialty Yarns

Combed Weaving yarn

We produce Combed weaving yarn with contamination control for waving as well as Hosier application and supplying to reputed customers.

Combed Comact Yarn

We are having good level of compact yarn capacity and is able to produce yarn with lower hairiness which will improve the feel of the fabric and efficiency in the post spinning processes. Our yarns are supplied to reputed brands and well accepted for its quality and production performance in the post spinning process.

Combed Slub Yarns

We are having Slub yarn capacity to produce fancy yarn for the weaving and Hosiery requirements. The fabric made with this slub yarns give fancy effect to the fabric and serving to match the fashion trends.

Core spun yarn

We make core spun yarn for the denim purpose to make stretchable fabric and is also well accepted by the brands.

Elitwist yarn

We make elitwist yarn which is an alternate for double yarn. This will reduce the cost of doubling and can produce an equivalent quality of TFO doubled yarn.

TFO Doubled Yarn

We produce double yarn used for denim purpose and all ranges of double yarn are in our product basket to cater to the required customer.

Carded counts

With the present set up of machines, we are able to produce combed as well as carded yarn of any range and the machine and technical capability of the Mill equip us to do so.

Organic and GRS yarns

We are certified to produce Organic yarns and Organic content yarn and certified by the international bodies for this. Our Company is certified to produce recycled yarn of all ranges from pre and post used wastes. Also, we are certified with ISO 9001:2015 and Oekotex.

MARKETING

Our Company has been producing yarn since the year 1993. Over the years, we have established a strong customer base. Our Company has sufficient marketing expertise and marketing network across India and international markets. We have full-fledged marketing team and established marketing network of Agent across India and in about 40 countries across the globe. We have our customers at Bangladesh, Peru, Srilanka, Malaysia, Columbia, Egypt, Portugal etc. where we market our products to fabric manufacturers and garment manufacturers.

MANUFACTURING PROCESS

a. For Yarn

Mixing: In the mixing department pre-calculated quantities of different varieties of cotton are blended together to make a particular count.

Blowing: Blowing is the process of cleaning mixed cotton. Trash, short fibers, dust, and other foreign matters like seed coats etc. are removed during the blowing process. At this stage, the cotton is opened and made into small tufts and fed to the next process with the help of aerofeed.

Carding: After blowing stage, the opened cotton is fed to the carding machines. The card has two major trash cleaning points namely, licker-in and cylinder and flats. The licker-in eliminates motes, short fibers, seed particles, etc. The pre-cleaned cotton tufts are then carded and the fibers are individualized by the slow moving flats and high speed cylinder. The carded fibers are then collected through a trumpet. The loose cotton at this stage gets converted to a sliver.

Combing: Combing is done to improve the mean fiber length, lustre, strength, and evenness of yarn. After carding, 26 card slivers are doubled to form a sheet of lap. This lap prepared is fed to the comber machine. Comber machines extract certain percentage of short fibers from the homogeneous lap and the resultant sheet of lap becomes a combed sliver. The Combed sliver is evenner.

Drawing: The Combed slivers are fed to drawing machine. This machine mainly parallelizes the combed sliver fiber.

Simplex: The gradual reduction of linear density and twist imparted to withstand the stretch during spinning is carried out at this stage by using the Simplex machines. The drawing / combed sliver gets drafted by the four pairs of fluted rollers and synthetic top rollers, running at different speeds to make a bobbin.

Spinning: Simplex bobbins are creel in spinning frame. The roving is drafted and twisted by a pair of 3 top rollers over 3 fluted rollers and by a ring and traveller respectively. The twisted yarn is then wound into plastic bobbins. The net yarn content in a bobbin weighs approximately 50 grams. The produced yarn is wound on to cones in Autoconer

and made into yarn cones with a weight of 1.89kgs to 2.57 kgs and then packed in boxes or bags as per the market needs.

The spun yarn is sold in two forms namely, Single Yarn Cone and Double Yarn Cone. For producing Double Yarn Cone, the spun yarn is further processed through Assembly Winding Machines and Two-for-One Twister machines.

B. Division: Textile Processing

Plant and Machinery

We have complete set up for Textile cotton processing namely, Raw Cotton bale opening, cake pressing, cotton bleaching, Hydro extraction, wet fibre opening, steam dryer, Contamination detection and sorting, Metal Detection, and bale pressing etc., to manufacture Absorbent Bleached Cotton commonly used as raw material for further medical, surgical, hygiene and cosmetic products. The major machines are of state of art technology mostly imported from world class machinery manufacturers i.e. from Italy, Turkey etc.,

EXISTING INSTALLED CAPACITY

Our existing manufacturing facilities include Textile Processing like Absorbant Bleached Cotton which is as raw material for further medical, surgical, hygiene and cosmetic products. The details of the existing capacity of the Textile/ Cotton Processing unit are given below:

| Product | Units | Fiscal 2022 | | Fiscal 2023 | | As on September 30, 2023 | |
|--------------------|-------|--------------------|----------------------|--------------------|----------------------|--------------------------|----------------------|
| | | Installed capacity | Capacity utilisation | Installed capacity | Capacity utilisation | Installed capacity | Capacity utilisation |
| Textile Processing | MTPA | 4,725 | 96.90% | 4,725 | 92.79% | 4,725 | 98.50% |

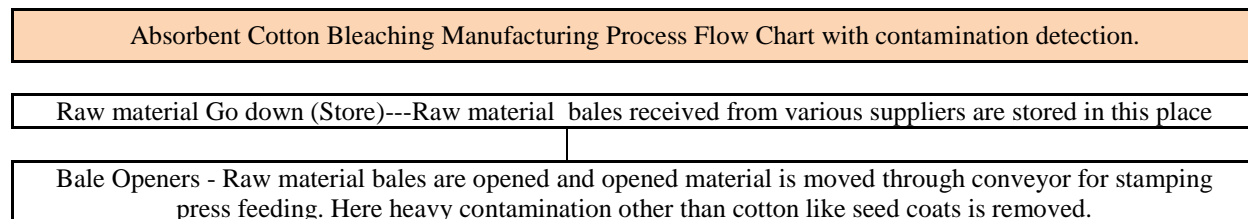
PRODUCTS MANUFACTURED

Our Company is engaged in the business of manufacturing Textile Processing. We produce products like, Aborbant Bleached Cotton commonly used as raw material for further medical, surgical, hygiene and cosmetic products:

MARKETING

Our Company has been producing Absorbent Bleached Cotton commonly used as raw material for further medical, surgical, hygiene and cosmetic products since the year 2013. Over the years, we have established a strong customer base. Our Company has sufficient marketing expertise and marketing network across India and international markets. We have full fledged marketing team and established marketing network of Agent accros India and in about 20 counties across the globe. We have our customers at Netherland, France, Italy, Poland, Thailand, Israel, Bankonk, etc. where we market our products as raw material for further medical, surgical, hygiene and cosmetic products

MANUFACTURING PROCESS



| |
|--|
| Stamping Press--- Opened raw material is filled in stamping basket along with water spray and material is pressed with hydraulic press and cake is prepared. Here at stamping basket feeding point - magnet is installed to remove metal particles from opened raw material. |
| Bleaching vessel ---- Two Cakes are loaded in bleaching basket and basket is loaded in bleaching vessel and standard bleaching process is carried out. This includes Demineralisation, scouring and bleaching with Caustic soda & Hydrogen peroxide, followed by several washes and pH correction. Finally, treatment is done with softener if applicable. Here at this step all process parameters like temperature, PH, time, pressure are controlled to achieve desired bleaching quality. |
| Drying--- Bleached cakes are hydro extracted and dried in continuous drier by opening the cotton fibres. We have provision for magnet after wet cake opening to remove metal contamination if followed in material Moisture % is controlled in this stage |
| Loptex - CCS system -- Here all types of contamination like PP, Paper, hair, wood piece, black cotton, various colour contaminations, fluorescence contamination, unbleached cotton etc. are detected and removed from opened dried material. |
| Metal magnetic detector- All ferrous metals, even very fine particles are removed from material. |
| Argus metal detector system- Here all ferrous as well as non-ferrous metal contaminations are removed from material. |
| Bale Packing--- All quality approved batches are packed in the form of bale with bale weight of 160-175 kg |
| Quality Assurance--- All bleached bales from all batches are tested thoroughly as per EP test methods for whiteness index, sinking test, absorbency test, PH etc. |
| Dispatch--All packed bales are dispatched |

MANPOWER

Textile industry is a labour-intensive industry and as of September 30, 2023, we employ about 800 employees across various divisions.

INSURANCE

We have availed various insurance policies which provides insurance cover against loss or damage by fire, explosion, riot and strikes, terrorism, burglary, theft and robbery, which we believe is in accordance with customary industry practices., the amount of our insurance coverage is on the replacement cost of all covered property and is sufficient to cover all financial losses that we may suffer should a risk materialize.

COMPETITION

The industry in which we operate is highly competitive. The organized players in the industry compete by providing high-quality value-added products. We believe the principal elements of competition in textile industry are price, consistent quality of yarn and fabric, timely delivery, and reliability. We compete against our competitors by leveraging our goodwill and establishing ourselves as a manufacturer of quality yarns and textile processing.

OUR MANAGEMENT

OUR BOARD OF DIRECTORS

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than ten Directors. As on the date of this Letter of Offer, our Board comprises of total 9 Directors, of which 1 Whole-time Director and Chairman, 1 director is designated as Managing Director, 2 are Whole-time Directors and 5 are Independent Directors including 1 (one) Independent Women Director. The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

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

| Sr. No. | Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth | Age (in years) | Other Directorships |
|---------|--|----------------|---|
| 1. | <p>Sushil Patwari</p> <p>Address: 18/A Alipore Road, Flat -D, 2nd Floor, Kolkata- 700027, West Bengal, India.</p> <p>Designation: Whole-time Director and Chairman</p> <p>Occupation: Business</p> <p>DIN: 00023980</p> <p>Current Term: Five years with effect from October 1, 2021 to September 30, 2026</p> <p>Period of Directorship: With effect from June 30, 2004</p> <p>Date of Birth: September 20, 1954</p> <p>Nationality: Indian</p> | 69 | <ol style="list-style-type: none"> 1. Nagreeka Capital & Infrastructure Limited 2. Rupa and Company Limited 3. Reliance Processors Limited 4. Jaidka Motors Company Limited 5. Ramkrishna Infrastructure Private Limited 6. Shrishyamniketan Projects Private Limited 7. Kolkata Hotels Private Limited 8. Rani Sati Realty Private Limited 9. Smart Grains Food Private Limited 10. Salsar Projects Private Limited 11. Shantiniketan Infrastructure Private Limited 12. Shivangini Builders Private Limited |
| 2. | <p>Sunil Ishwarlal Patwari</p> <p>Address: 4 &5, 1st Floor, Rishikesh CHS Limited, 63 Worli Hill Road, Worli-Mumbai - 400018, Maharashtra, India.</p> <p>Designation: Managing Director</p> <p>Occupation: Business</p> <p>DIN: 00024007</p> <p>Current Term: Five years with effect from September 1, 2023 to August, 31, 2028</p> <p>Period of Directorship: with effect from May 2, 1989</p> <p>Date of Birth: November 15, 1960</p> | 63 | <ol style="list-style-type: none"> 1. GPT Infraprojects Limited 2. Nagreeka Capital & Infrastructure Limited 3. Shrishyamniketan Projects Private Limited 4. Yasoda Infracon Private Limited 5. Shree Shyam Procon Private Limited 6. Sulabh Realcon Private Limited 7. Nagreeka Integrated Textile Park Private Limited 8. Textile Sector Skill Council 9. The Cotton Textiles Export Promotion Council |

| Sr. No. | Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth | Age (in years) | Other Directorships |
|----------------------------|---|----------------|--|
| Nationality: Indian | | | |
| 3. | Mahendra Ishwarlal Patwari Address: 501, Sterling Tower, Harishchandra Goregaonkar Marg, Gamdevi, Mumbai – 400007, Maharashtra, India. Designation: Whole-time Director Occupation: Business DIN: 00024002 Current Term: Five years with effect from July1, 2022 to June 30, 2027 Period of Directorship: With effect from June 30, 2004 Date of Birth: March 15, 1963 | 60 | 1. Nagreeka Fabric Private Limited 2. Sree Shyam Procon Private Limited 3. SreeRani Sati Infracon Private Limited 4. Sriman Infracore Private Limited 5. Yasoda Shelters Private Limited 6. Nagreeka Integrated Textile Park Private Limited 7. Rani Sati Realty Private Limited |
| Nationality: Indian | | | |
| 4. | Debarata Das Chowdhury Address: 501, Divyashraya Flats, Vasana Roads, Vadodara-390015, Gujarat, India Designation: Whole-time Director Occupation: Service DIN: 07479334 Current Term: Five years with effect from May 25, 2021 and liable to retire by rotation. Period of Directorship: With effect from September 29, 2016 Date of Birth: February 14, 1953 | 70 | Nil |
| Nationality: Indian | | | |
| 5. | Pawan Kishore Harlalka Address: D 2/3. 594/1 Dakshin Dari Road, Sreebhumi, North 24 Parganas, 700048, West Bengal, India. Designation: Independent Director Occupation: Professional | 72 | Nil |

| Sr. No. | Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth | Age (in years) | Other Directorships |
|---------|--|----------------|---|
| | <p>DIN: 08857189</p> <p>Current Term: Five years with effect from September 25, 2021 to September 24, 2026</p> <p>Period of Directorship: with effect from October 1, 2020</p> <p>Date of Birth: September 4, 1951</p> <p>Nationality: Indian</p> | | |
| 6. | <p>Rajendra Mahavirprasad Ruia</p> <p>Address: Ruia Bhavan, 6, Hanuman Cross Road No. 1, Vile Parle East, Mumbai, 400057, Maharashtra, India</p> <p>Designation: Independent Director</p> <p>Occupation: Business</p> <p>DIN: 01300823</p> <p>Current Term: 5 years with effect from April 1, 2019 to March 31, 2024</p> <p>Period of Directorship: With effect from July 31, 2008</p> <p>Date of Birth: January 9, 1957</p> <p>Nationality: Indian</p> | 67 | <ol style="list-style-type: none"> 1. Arco Leasing Limited 2. Arco Electro Technologies Private Limited |
| 7. | <p>Tushar Jhunjhunwala</p> <p>Address: 2/2, Bright Street Kolkata, 700019, West Bengal, India.</p> <p>Designation: Independent Director</p> <p>Occupation: Business</p> <p>DIN: 00025078</p> <p>Current Term: For 5 consecutive years upto September 27, 2025</p> <p>Period of Directorship: With effect from November 14, 2019</p> <p>Date of Birth: August 9, 1979</p> <p>Nationality: Indian</p> | 44 | <ol style="list-style-type: none"> 1. Capricon Towers Private Limited 2. SMPL Solar Projects Private Limited 3. Rosewood Developers Private Limited 4. Vista Plaza Private Limited 5. Roos Electrical Works Private Limited 6. Smita Properties and Investment Private Limited 7. Admobile Private Limited 8. Transways (Agents) Limited 9. Swasti Realhome Private Limited 10. Mountview Tracom Private Limited 11. Shrivats Properties Private Limited 12. Oval Promoters Private Limited 13. Pricepoint Concept Consultancy Private Limited |

| Sr. No. | Name, Address, Occupation, DIN, Period of Directorship, Term, Nationality and Date of Birth | Age (in years) | Other Directorships |
|----------------|---|-----------------------|--|
| 8. | <p>Surabhi Sanganeria</p> <p>Address: 2 A, Rajhans, 6 Hastings Park Road, Kolkata, 700027, West Bengal, India.</p> <p>Designation: Independent Director</p> <p>Occupation: Business</p> <p>DIN: 06987772</p> <p>Current Term: Five years with effect from September 28, 2020</p> <p>Period of Directorship: With effect from November 13, 2014</p> <p>Date of Birth: October 12, 1977</p> <p>Nationality: Indian</p> | 46 | 1. Nagreeka Capital and Infrastructure Limited |
| 9. | <p>Amitava Mazumder</p> <p>Address: 65/1, Maharshi Debendra Road, Kolkata 700006</p> <p>Designation: Additional Independent Director</p> <p>Occupation: Professional</p> <p>DIN: 06441635</p> <p>Current Term: Five years with effect from August 28, 2023</p> <p>Period of Directorship: August 28, 2023</p> <p>Date of Birth: September 9, 1949</p> <p>Nationality: Indian</p> | 74 | 1. Nagreeka Capital and Infrastructure Limited 2. Nagreeka Hydrocarbons Private Limited |

Details of directorship in companies suspended or delisted

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

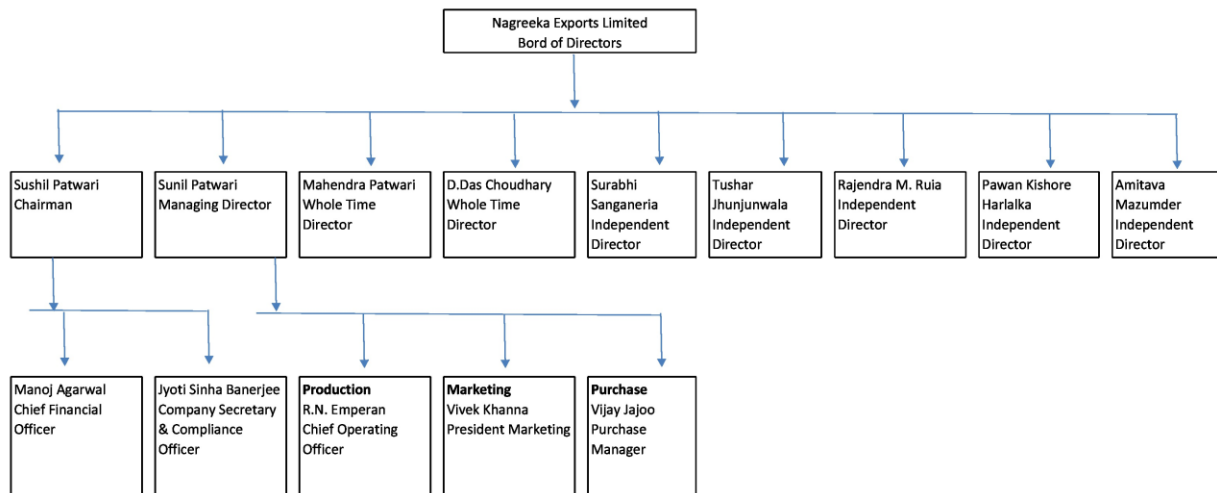
None of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company in the last ten years immediately preceding the date of filing of this Letter of Offer.

OUR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

| Sl. No. | Name of key Management Management Personnel | Senior Designation |
|---------|---|--|
| 1. | Sunil Ishwarlal Patwari | Managing Director |
| 2. | Manoj Agarwal | Chief Financial Officer |
| 3. | Jyoti Sinha Banerjee | Company Secretary and Compliance Officer |

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

Management Organisation Structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

| Sr. No. | Particulars |
|----------------|--|
| a. | Limited Review Unaudited Financial Results for the six months period ended September 30, 2023. |
| b. | Audited Financial Statements as at and for the year ended March 31, 2023. |

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Independent Auditor's Review Report on Unaudited Standalone Financial Results of the Nagreeka Exports Limited for the quarter and half year ended September 30, 2023 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Nagreeka Exports Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Nagreeka Exports Limited** (the 'Company') for the quarter and half year ended September 30, 2023 together with notes thereon ('The Statement') being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulation").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company on November 14, 2024. Our responsibility is to issue a conclusion on the financial results based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material mismanagement.

For B Nath & Co
Chartered Accountants
Firm Registration No: 307057E




Gaurav More
Partner
Membership No.:306466
UDIN-23306466363AMN9310

Place: Kolkata
Date: November 14, 2023

NAGREEKA EXPORTS LIMITED

(Three Star Export House Recognized by Govt. of India)
 Regd. Off: 18, R. N. Mukherjee Road, 3rd Floor, Kolkata - 700001
 Phone : 2210 8828, 2248 4922/ 4943, Fax: 91-33-22481693, E-mail: sushil@nagreeka.com
 Website: www.nagreeka.com, CIN: L18101WB1989PLC046387

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30th SEPTEMBER, 2023

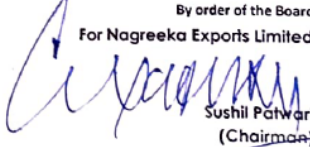
(₹ In lakhs except EPS)

| Sl. No. | PARTICULARS | QUARTER ENDED | | | HALF YEAR ENDED | | YEAR ENDED |
|-----------|--|-----------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|
| | | 30th Sept 2023 Unaudited | 30th June 2023 Un Audited | 30th Sept 2022 Un Audited | 30th Sept 2023 Unaudited | 30th Sept 2022 Unaudited | 31st Mar'2023 Audited |
| 1 | Income | | | | | | |
| | a) Revenue from Operations | 13,748.13 | 13,033.84 | 7,303.95 | 26,781.97 | 19,296.17 | 38,851.25 |
| | b) Other Income | 3.17 | 54.21 | 28.93 | 57.38 | 82.73 | 227.87 |
| 2 | Total Income [a+b] | 13,751.30 | 13,088.05 | 7,332.88 | 26,839.35 | 19,378.90 | 39,079.13 |
| 3 | Expenditure : | | | | | | |
| | a) Consumption of raw materials | 6,400.00 | 5,960.61 | 3,201.84 | 12,360.61 | 10,920.33 | 19,743.31 |
| | b) Purchase of traded goods | 6,282.84 | 3,210.83 | 806.42 | 9,493.67 | 2,417.71 | 9,165.49 |
| | c) (Increase) or decrease in Finished Goods, stock in Trade & W.I.P. | (1,982.39) | 965.01 | 1,885.38 | (1,017.38) | 1,314.36 | 144.15 |
| | d) Employee cost | 607.09 | 723.49 | 526.13 | 1,330.58 | 1,219.13 | 2,461.20 |
| | e) Finance Cost | 344.98 | 345.53 | 159.63 | 690.51 | 500.27 | 1,071.32 |
| | f) Depreciation & Amortization | 185.35 | 182.27 | 184.28 | 367.62 | 368.01 | 731.02 |
| | g) Other expenses | 1,673.52 | 1,588.73 | 1,139.08 | 3,262.25 | 3,102.29 | 5,722.51 |
| | Total Expenditure [3(a) to 3(g)] | 13,511.39 | 12,976.47 | 7,902.76 | 26,487.86 | 19,842.10 | 39,039.00 |
| 4 | Profit/ (Loss) before Exceptional Item & Tax [2 - 3] | 239.91 | 111.58 | (569.88) | 351.49 | (463.20) | 40.12 |
| 5 | Exceptional Item | - | - | - | - | - | - |
| 6 | Profit/ (Loss) before Tax [4 - 5] | 239.91 | 111.58 | (569.88) | 351.49 | (463.20) | 40.12 |
| 7 | Tax Expenses | | | | | | |
| | a) Current Tax | 82.22 | 18.62 | (17.12) | 100.84 | - | 6.42 |
| | b) MAT Credit Entitlement | 18.62 | (18.62) | 17.12 | - | - | (6.42) |
| | c) Deferred Tax Liability/(Assets) | (72.16) | (13.91) | (5.66) | (86.07) | (101.00) | (263.33) |
| | Total Tax Expenses [7(a) to 7(c)] | 28.68 | (13.91) | (5.66) | 14.77 | (101.00) | (263.33) |
| 8 | Net Profit/ (Loss) for the period after Tax (6-7) | 211.23 | 125.49 | (564.22) | 336.72 | (362.20) | 303.45 |
| 9 | Other Comprehensive Income | | | | | | |
| | A) Items that will not be Reclassified to P&L | | | | | | |
| | a) Fair Value Changes of Investment in Equity Shares | (73.49) | 11.17 | 71.34 | (62.32) | (199.26) | (171.73) |
| | b) Remeasurement Gains/(Losses) on Defined Benefit Plans | 15.31 | 15.31 | (6.74) | 30.62 | (13.48) | 61.24 |
| | c) Tax on above | 4.84 | -3.72 | (5.25) | 1.12 | 23.68 | (1.25) |
| | B) Items that will be Reclassified to P&L (Net of Tax) | | | | | | |
| | Total Other Comprehensive Income [9(A) + 9(B)] | -53.34 | 22.76 | 59.35 | (30.58) | (189.06) | (111.74) |
| 10 | Total Comprehensive Income for the Period [8 + 9] | 157.89 | 148.25 | (504.87) | 306.14 | (551.26) | 191.71 |
| 11 | Paid-up equity share capital (Face Value of ₹ 5/- each) | 625.50 | 625.50 | 625.50 | 625.50 | 625.50 | 625.50 |
| 12 | Other Equity | | | | | | 10,479.55 |
| 13 | EPS for the period (in ₹) (Not annualized) | | | | | | |
| | a) Basic | 1.69 | 1.00 | (4.51) | 2.69 | (2.90) | 2.43 |
| | b) Diluted | 1.69 | 1.00 | (4.51) | 2.69 | (2.90) | 2.43 |

Notes :

- 1 The above Unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th November, 2023
- 2 The Statutory Auditors of the Company has carried out the "Limited Review" Audit of the above financial results in pursuant to Regulations 33 of SEBI (LODR) Regulations 2015.
- 3 The Company has only one business segment i.e. Textiles and thus no further disclosure are required in accordance with the IND AS 108 "Operating Segments".
- 4 The Company is in the process of issuing Equity Shares on Rights Issue basis . Approval of Board of Directors has already been obtained in Board Meeting held on 14.08.2023. Further, Company has filed draft LOF with BSE and NSE and their approval is expected soon.
- 5 Previous period's figures have been regrouped/ rearranged wherever necessary.



By order of the Board
 For Nagreeka Exports Limited

 Sushil Patwari
 (Chairman)
 DIN : 00023980

Place : Kolkata
 Date : 14th November, 2023

NAGREEKA EXPORTS LIMITED

(Three Star Export House Recognized by Govt. of India)

Regd. Off.: 18, R. N Mukherjee Road, 3rd Floor, Kolkata-700001

Phone : 2210 8828, 2248 4922/ 4943, Fax: 91-33-22481693, E-mail:sushil@nagreeka.com

Website: www.nagreeka.com; CIN: L18101WB1989PLC046387

Statement of Assets and Liabilities as at 30th September 2023

(₹ In lakhs)

| Particulars | As at 30th September 2023 Un Audited | As at 31st March 2023 Audited |
|---|---|----------------------------------|
| ASSETS | | |
| Non Current Assets | | |
| a Property, Plant and Equipment | 10,194.50 | 10,698.67 |
| b Capital Work in progress | - | - |
| Financial Assets | | |
| (i) Investments | 855.99 | 918.31 |
| (ii) Long Term Loans & Advances | 154.00 | 147.30 |
| (iii) Other Non current Financial Assets | - | 1,065.61 |
| | 1,009.99 | 42.17 |
| d Other Non Current Assets | - | 42.17 |
| | <u>42.17</u> | <u>42.17</u> |
| TOTAL NON CURRENT ASSETS | <u>11,246.66</u> | <u>11,806.45</u> |
| Current Assets | | |
| a Inventories | 12,713.37 | 12,326.71 |
| Financial Assets | | |
| (i) Trade Receivables | 2,260.27 | 2,164.60 |
| (ii) Cash & Cash Equivalents | 196.87 | 106.73 |
| (iii) Bank balances other than (ii) above | 88.64 | 84.99 |
| (iv) Short term loans & Advances | 180.07 | 167.28 |
| (v) Other Current Financial Assets | 107.96 | 118.41 |
| | 2,833.81 | 2,642.01 |
| c Other Current Assets | - | 6,157.45 |
| | <u>8,141.76</u> | <u>6,157.45</u> |
| TOTAL CURRENT ASSETS | <u>23,688.94</u> | <u>21,126.17</u> |
| TOTAL ASSETS | <u><u>34,935.60</u></u> | <u><u>32,932.62</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| a Equity Share Capital | 625.50 | 625.50 |
| b Other Equity | 10,823.97 | 10,479.55 |
| | <u>11,449.47</u> | <u>11,105.05</u> |
| TOTAL EQUITY | <u>11,449.47</u> | <u>11,105.05</u> |
| Liabilities | | |
| Non-Current Liabilities | | |
| a Financial Liabilities | | |
| (i) Long Term Borrowings | 5,414.52 | 5,791.63 |
| | 19.21 | 19.21 |
| b Provisions | 980.93 | 1,066.81 |
| c Deferred Tax Liabilities (Net) | - | - |
| | <u>6,414.66</u> | <u>6,877.65</u> |
| TOTAL NON CURRENT LIABILITIES | <u>6,414.66</u> | <u>6,877.65</u> |
| Current Liabilities | | |
| a Financial Liabilities | | |
| (i) Short Term Borrowings | 13,735.57 | 12,256.00 |
| (ii) Trade Payables | - | - |
| Total Outstanding dues of MSME | 27.94 | 41.47 |
| Total Outstanding dues of other than MSME | 770.36 | 440.74 |
| (iii) Other Current Financial Liabilities | 1,270.57 | 857.13 |
| | 15,804.44 | 13,595.34 |
| b Other Current Liabilities | 383.28 | 694.17 |
| c Provisions | 883.75 | 660.41 |
| | <u>17,071.47</u> | <u>14,949.92</u> |
| TOTAL CURRENT LIABILITIES | <u>17,071.47</u> | <u>14,949.92</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>34,935.60</u></u> | <u><u>32,932.62</u></u> |



By order of the Board
For Nagreeka Exports Limited

Sushil Patwari

Sushil Patwari
(Chairman)

DIN : 00023980

NAGREEKA EXPORTS LIMITED

(Three Star Export House Recognized by Govt. of India)

Regd. Off.: 18, R. N Mukherjee Road, 3rd Floor, Kolkata-700001

Phone : 2210 8828, 2248 4922/ 4943, Fax: 91-33-22481693, E-mail:sushil@nagreeka.com

Website: www.nagreeka.com; CIN: L18101WB1989PLC046387

Cash Flow Statement For the Half Year Ended 30th September, 2023

(₹ In lakhs)

| PARTICULARS | For the half year ended 30th September, 2023 | For the half year ended 30th September, 2022 |
|---|--|--|
| | (Unaudited) | (Unaudited) |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit/(Loss) Before extra ordinary items and tax | 351.47 | (463.20) |
| Additions : | | |
| Depreciation and amortization | 367.62 | 368.01 |
| Finance Cost | 690.51 | 500.27 |
| Dividend Income | (51.06) | (71.94) |
| Operating Profit Before Working Capital | 1,358.54 | 333.14 |
| Adjusted for : | | |
| (Increase) / Decrease in Trade Receivables | (95.67) | 221.47 |
| (Increase) / Decrease in Inventories | (386.67) | 961.47 |
| (Increase) / Decrease in Loans & Other Current financial Assets | (5.99) | (1.56) |
| (Increase) / Decrease in Other Current Assets | (2,037.61) | (105.29) |
| Increase / (Decrease) in Trade Payables | 316.09 | (64.61) |
| Increase / (Decrease) in Other Current Financial Liabilities | 413.44 | (448.02) |
| Increase / (Decrease) in Other Current Liabilities | (310.89) | (26.24) |
| Increase / (Decrease) in Provisions | 192.73 | 203.77 |
| Cash Generated from Operation | (556.03) | 1,074.13 |
| Less : Direct Taxes Paid / Refund Received | (53.31) | 29.21 |
| Net Cash Flow from / (used in) Operating Activities | (502.72) | 1,044.93 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Capital Expenditure on Fixed Assets, Including Capital Advances | (92.95) | (173.70) |
| Sale of Fixed Assets | 229.50 | 65.58 |
| Dividend Received | 51.06 | 71.94 |
| (Increase)/Decrease in Loans and Advances | (6.70) | (6.13) |
| (Increase)/Decrease in Non Current Assets | - | (0.36) |
| Net Cash Flow from / (used in) Investing Activities | 180.91 | (42.66) |
| C. CASH FLOW FROM FINANCEING ACTIVITIES : | | |
| Net Increase in Long Term borrowings | (377.11) | 1,414.53 |
| Net increase / (decrease) in working capital borrowings | 1,479.57 | (1,961.46) |
| Finance Cost | (690.51) | (500.27) |
| Net Cash Flow from / (used in) Financing Activities | 411.95 | (1,047.20) |
| Net Increase / (Decrease) in cash & cash Equivalents (A+B+C) | 90.14 | (44.95) |
| Opening Cash & Cash equivalents | 106.73 | 84.70 |
| Closing Cash & Cash equivalents | 196.87 | 39.76 |

Place : Kolkata

Date : 14th November, 2023



By order of the Board
For Nagreeka Exports Limited

Sushil Patwari

Sushil Patwari
(Chairman)

DIN : 00023980



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NAGREEKA EXPORTS LIMITED
Report on the Audit of the Standalone Financial Statements**

B. Nath & Co.

Chartered Accountants

Opinion

We have audited the accompanying standalone financial statements of **Nagreeka Exports Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter (KAM) | Auditor's Response |
|---------|---|---|
| 1. | <ul style="list-style-type: none"> The Company is subject to a number of legal and tax related claims which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales | <p>Our audit procedures included the following: -</p> <ul style="list-style-type: none"> Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls. Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussions with the Head of Tax and operational management, on both the probability of success in |



| | | |
|----|---|---|
| | involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed. | <p>significant cases, and the magnitude of any potential loss.</p> <ul style="list-style-type: none"> • Engaged tax specialists to technically appraise the tax positions taken by management with respect to local tax issues. • Assessed whether management assessment of similar cases is consistent across the divisions or that differences in positions are adequately justified. • Assessed the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards |
| 2. | <p>Recoverability of unutilized Minimum Alternate Tax (MAT) credits</p> <ul style="list-style-type: none"> • As of March 31, 2023, the Company has recognized MAT credits of Rs.450.94 Lakhs, included under deferred tax assets that can be utilized against future tax liabilities. • The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability and the likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter | <p>Our audit procedures included the following: -</p> <ul style="list-style-type: none"> • Obtained and analyzed the future projections estimated by management, assessing the key assumptions used, including the analysis of the consistency of the actual results obtained by the various segments with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections and the consistency of those projections with those used in other areas of estimation such as those used for assessing the recoverability of assets. • Tested the completeness and accuracy of the MAT credits |

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial 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.



Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statement

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 standalone 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 Ind AS and other accounting principles generally accepted in India. 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 financial statements, Board of Directors 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 responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 standalone 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence



obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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.

Report on Other Legal and Regulatory Requirements

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 including Other Comprehensive Income, 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 financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No 30 to the 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 funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Company has not declared or paid any dividend during the year, therefore compliance of the provision under section 123 of the Companies Act, 2013 is not applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.



2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **B Nath & Co**
Chartered Accountants
(Firm's Registration No. 307057E)



Gaurav More

Gaurav More
Partner

(Membership No. 306466)
UDIN-23306466BGSAY5376

Place: Kolkata
Date: May 30, 2023

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls 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 **Nagreeka Exports Limited** ("the Company") as of 31st March 2023 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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 B Nath & Co
Chartered Accountants
(Firm's Registration No.307057E)



Gaurav More
Gaurav More
Partner
(Membership No. 306466)
UDIN- 23306466BGS AIY5376

Place: Kolkata
Date: May 30, 2023

Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company.
- (d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) As per information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventories were physically verified during the period by the management and discrepancies noticed on verification between the physical stocks and the book records were adjusted in books and no discrepancies of 10% or more were noticed in such verification.
b) During the year, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, and there is no material variance with the books of account.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any investments or provided any guarantee or security or any granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, in our opinion, the Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.



(vii) a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, GST, Cess or other material statutory dues have been generally regularly deposited during the period by the Company with appropriate authorities.

According to the information and explanation given to us no undisputed statutory dues including Provident Fund, Income Tax, GST, cess or other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they become payable.

b) Details of dues of Income Tax, Service Tax, Sales Tax and Custom Duty which have not been deposited as at March 31, 2023 on account of dispute are given below:

| Name of Statute | Nature of Dues | Amount (Rs in lacs) | Period to which amount relates | Forum where dispute is Pending |
|---------------------------------|----------------|---------------------|--------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | 4.92 | AY 2017-18 | ITAT, Kolkata |
| Income Tax Act, 1961 | Income Tax | 4358.58 | AY 2018-19 | CIT (A), Kolkata |
| MVAT Rules 2005 | Sales Tax | 80.13 | 2009-2010, 2011-2012 | JC Sales Tax |
| Goods and Service Tax Act, 2017 | GST | 14.28 | 2018-2019 2017-2018 | GST Appellate Authority |

viii) As per information and explanation given to us we have not come across any such any transactions which was not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence this clause is not applicable to the Company.

ix) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes.

e) The Company did not have any subsidiary, associates or joint venture during the year. Hence the clause is not applicable.

f) The Company did not have any subsidiary, associates or joint venture during the year. Hence the clause is not applicable.

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As per information and explanation given to us, the Company has not received any whistle-blower complaints during the year, hence reporting under this clause is not applicable.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the current financial year as well as in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.



- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) As per Section 135 of the Companies Act 2013, the Company is not obligated to spend any amount on corporate social responsibility. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For B Nath & Co

Chartered Accountants

(Firm's Registration No.307057E)



Gaurav More

Gaurav More

(Partner)

(Membership No. 306466)

UDIN- 23306466BGSAY5376

Place: Kolkata

Date: May 30, 2023

NAGREEKA EXPORTS LIMITED

CIN: L18101WB1989PLC046387

BALANCE SHEET AS AT 31st MARCH 2023

(Rs. In Lakhs)

| PARTICULARS | Note No | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------|---------------------------|---------------------------|
| ASSETS | | | |
| (1) Non Current Assets | | | |
| a Property, Plant and Equipment | 3 | 10,698.67 | 11,413.41 |
| b Capital Work in progress | 3 | - | - |
| c Financial Assets | | | |
| (i) Investments | 4 | 918.31 | 1,096.00 |
| (ii) Long Term Loans & Advances | 5 | 147.30 | 134.76 |
| d Other Non Current Assets | 8 | 42.17 | 49.14 |
| Total Non Current Assets [a to e] | | 11,806.45 | 12,693.31 |
| (2) Current Assets | | | |
| a Inventories | 9 | 12,326.71 | 11,489.37 |
| b Financial Assets | | | |
| (i) Trade Receivables | 10 | 2,164.60 | 1,781.70 |
| (ii) Cash & Cash Equivalents | 11 | 106.73 | 84.70 |
| (iii) Bank balances other than (ii) above | 12 | 84.99 | 212.54 |
| (iv) Short term loans & Advances | 5 | 167.28 | 157.29 |
| (v) Other Current Financial Assets | 6 | 118.41 | 96.29 |
| c Other Current Assets | 8 | 6,157.46 | 8,088.37 |
| Total Current Assets [a to c] | | 21,126.18 | 21,910.26 |
| TOTAL ASSETS [(1) + (2)] | | 32,932.63 | 34,603.57 |
| EQUITY AND LIABILITIES | | | |
| (3) Equity | | | |
| a Equity Share Capital | 13 | 625.50 | 625.50 |
| b Other Equity | 14 | 10,479.55 | 10,286.59 |
| Total Equity [a to b] | | 11,105.05 | 10,912.09 |
| Liabilities | | | |
| (4) Non-Current Liabilities | | | |
| a Financial Liabilities | | | |
| (i) Long Term Borrowings | 15 | 5,791.63 | 4,792.61 |
| b Provisions | 17 | 19.21 | 19.21 |
| c Deferred Tax Liabilities (Net) | 7 | 1,066.81 | 1,330.14 |
| Total Non Current Liabilities [a to c] | | 6,877.65 | 6,141.96 |
| (5) Current Liabilities | | | |
| a Financial Liabilities | | | |
| (i) Short Term Borrowings | 15 | 12,256.00 | 14,267.30 |
| (ii) Trade Payables | 18 | | |
| - Total outstanding dues of micro, small and medium enterprises | | 41.47 | 39.23 |
| Total outstanding dues of creditors other than micro, small and medium enterprises | | 440.74 | 1,096.47 |
| (iii) Other Current Financial Liabilities | 16 | 857.14 | 994.52 |
| b Other Current Liabilities | 19 | 694.17 | 356.80 |
| c Provisions | 17 | 660.41 | 795.20 |
| Total Current Liabilities [a to c] | | 14,949.93 | 17,549.52 |
| TOTAL EQUITY AND LIABILITIES | | 32,932.63 | 34,603.57 |

Significant Accounting Policies and Notes on Accounts

1 TO 55

The above Balance Sheet should be read in conjunction with accompanying notes

As per our separate report attached of even date

For and on Behalf of the Board of Directors

For B Nath & Co.
Chartered Accountants
Firm Regn No.:307057E

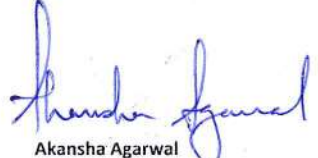

Sushil Patwari
DIN:00023980
Chairman


Sunil Ishwarlal Patwari
DIN:00024007
Managing Director

CA Gaurav More
Partner
M.No:306466
Place:Kolkata
Date:May 30,2023




Manoj Agarwal
Chief Financial Officer


Akansha Agarwal
Mem No.: A61906
Company Secretary

NAGREEKA EXPORTS LIMITED

CIN: L18101WB1989PLC046387

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023

(Rs. In Lakhs)

| PARTICULARS | Note No | For The Year Ended 31st March, 2023 | For The Year Ended 31st March, 2022 |
|--|----------------|--|--|
| INCOME | | | |
| I Revenue from operation | 20 | 38,851.25 | 55,178.83 |
| II Other Income | 21 | 227.87 | 85.68 |
| III Total Revenue (I + II) | | 39,079.12 | 55,264.51 |
| IV EXPENDITURE | | | |
| Cost of Material Consumed | 22 | 19,743.31 | 22,655.49 |
| Purchase of Traded Goods | 23 | 9,165.49 | 19,950.04 |
| Change in inventories of Finished Goods, Stock in Process and Stock in Trade | 24 | 144.15 | -907.22 |
| Employees Benefit expenses | 25 | 2,461.20 | 2,817.21 |
| Finance Costs | 26 | 1,071.32 | 1,362.14 |
| Depreciation | 3 | 731.02 | 728.66 |
| Other Expenses | 27 | 5,722.51 | 7,850.40 |
| Total Expenses (IV) | | 39,039.00 | 54,456.72 |
| (V) Profit/(Loss) before Exceptional Item & tax (III - IV) | | 40.12 | 807.79 |
| (VI) Exceptional Item | | - | - |
| (VII) Profit/(Loss) Before Tax [(V) - (VI)] | | 40.12 | 807.79 |
| (VIII) Tax expenses : | | | |
| a Current Tax | | 6.42 | 24.85 |
| b Deferred Tax Liability/ (Assets) | | -263.33 | 188.43 |
| c MAT Credit Entitlement/(Reversed) | | -6.42 | -24.85 |
| d Taxes for earlier years (Excess)/Short | | - | - |
| Total tax Expenses [a to d] | | -263.33 | 188.43 |
| (IX) Profit / (Loss) for the Period [(VII) - (VIII)] | | 303.45 | 619.36 |
| (X) Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified subsequently to the statement of Profit and Loss | | | |
| a. Fair Value Changes of Investment in Equity Shares | | -171.73 | 258.16 |
| b. Remeasurement Gains/(Losses) on Defined Benefit Plans | | 61.24 | -26.95 |
| Tax on Above | | -1.25 | -18.32 |
| Total Other Comprehensive Income/(Loss) | | -111.74 | 212.89 |
| (XI) Total Comprehensive Income/(loss) for the year [(IX) + (X)] | | 191.71 | 832.25 |
| (XII) Earning Per Share | | | |
| Basic & Diluted (in Rs.) | 32 | 2.43 | 4.96 |
| Significant Accounting Policies and Notes on Accounts | 1 TO 55 | | |

The above Balance Sheet should be read in conjunction with accompanying notes

As per our separate report attached of even date

For and on Behalf of the Board of Directors

For B Nath & Co.
Chartered Accountants
Firm Regn No.:307057E

Sushil Barwala
Sushil Barwala
DIN:00023980
Chairman

Sunil Ishwarlal Patwari
Sunil Ishwarlal Patwari
DIN:00024007
Managing Director

Gaurav More

CA Gaurav More
Partner
M.No:306466
Place:Kolkata
Date:May 30,2023



Manoj Agarwal
Manoj Agarwal
Chief Financial Officer

Akansha Agarwal
Akansha Agarwal
Mem No.: A61906
Company Secretary

NAGREEKA EXPORTS LTD

(Trading House Recognized by Govt. of India)

Regd. Off.: 18, R. N Mukherjee Road, 3rd Floor, Kolkata-700001

Phone : 2210 8828, 2248 4922/ 4943, Fax: 91-33-22481693, E-mail:sushil@nagreeka.com

Website: www.nagreeka.com; CIN: L18101WB1989PLC046387

Cash Flow Statement For the Year Ended 31st March, 2023

(Rs. In lakhs)

| PARTICULARS | Year ended As at 31st March,2023 | Year ended As at 31st March,2022 |
|---|-------------------------------------|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit/(Loss) Before extra ordinary items and tax | 40.12 | 807.79 |
| Additions : | | |
| Depreciation and amortization | 731.02 | 728.66 |
| Loss/(Profit) on sale / write off of assets | 18.89 | 42.46 |
| Profit on Sale of Non Current Investments | -0.12 | - |
| Finance Cost | 1,071.32 | 1,362.14 |
| Dividend Income | -117.72 | -64.50 |
| Operating Profit Before Working Capital | 1,743.50 | 2,876.55 |
| Adjusted for : | | |
| (Increase) / Decrease in Trade Receivables | -382.90 | 445.51 |
| (Increase) / Decrease in Inventories | -837.34 | -2,249.26 |
| (Increase) / Decrease in Loans & Other Current financial Assets | 95.44 | -2.99 |
| (Increase) / Decrease in Other Current Assets | 2,000.5 | 2,091.39 |
| Increase / (Decrease) in Trade Payables | -653.49 | 33.55 |
| Increase / (Decrease) in Other Current Financial Liabilities | -137.38 | -8.16 |
| Increase / (Decrease) in Other Current Liabilities | 337.37 | -57.33 |
| Increase / (Decrease) in Provisions | -73.55 | 105.69 |
| Cash Generated from Operation | 2,092.15 | 3,234.95 |
| Less : Direct Taxes Paid / Refund Received | 69.6 | 30.30 |
| Net Cash Flow from / (used in) Operating Activities | 2,022.55 | 3,204.65 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Capital Expenditure on Fixed Assets, Including Capital Advances | -207.94 | -533.42 |
| Sale of Fixed Assets | 382.92 | 484.65 |
| Accumulated depreciation on sale of Fixed Assets | -210.15 | -332.70 |
| Sale of Non-Current Investments | 6.09 | -81.26 |
| Dividend Received | 117.72 | 64.50 |
| (Increase)/Decrease in Loans and Advances | -12.54 | -11.48 |
| (Increase)/Decrease in Non Current Assets | 6.97 | 7.78 |
| Net Cash Flow from / (used in) Investing Activities | 83.07 | -401.93 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Net Increase in Long Term borrowings | 999.03 | 631.13 |
| Net increase / (decrease) in working capital borrowings | -2,011.30 | -2,331.11 |
| Finance Cost | -1,071.32 | -1,362.14 |
| Net Cash Flow from / (used in) Financing Activities | -2,083.59 | -3,062.12 |
| Net Increase / (Decrease) in cash & cash Equivalents (A+B+C) | 22.03 | -259.40 |
| Cash & Cash equivalents at the beginning of the year | 84.70 | 344.10 |
| Cash & Cash equivalents at the end of the year | 106.73 | 84.70 |

The Accompanying notes are forming part of the Financial Statements

As per our separate report attached of even date

For and on Behalf of the Board of Directors

For B Nath & Co.
Chartered Accountants
Firm Regn No.:307057E

Sushil Patwari
Sushil Patwari
DIN:00023980
Chairman

Sunil Ishwarlal Patwari
Sunil Ishwarlal Patwari
DIN:00024007
Managing Director

Gaurav More
CA Gaurav More
Partner
M.No:306466
Place:Kolkata
Date:May 30,2023



Manoj Agarwal
Manoj Agarwal
Chief Financial Officer

Akansha Agarwal
Akansha Agarwal
Mem No.: A61906
Company Secretary

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH,2023

A. EQUITY SHARE CAPITAL

| PARTICULARS | (Rs. In Lakhs) | |
|-------------------------------|---------------------|---------------------|
| | As at 31-03-2023 | As at 31-03-2022 |
| At the beginning of the year | 625.50 | 625.50 |
| Add: Addition during the year | - | - |
| At the End of the year | 625.50 | 625.50 |

B. OTHER EQUITY

| PARTICULARS | RESERVE & SURPLUS | | | | | OTHER COMPREHENSIVE INCOME | | |
|-------------------------------------|-------------------|-----------------|-----------------------|------------------------------|-------------------|--------------------------------|-----------|--------------|
| | Capital Reserve | General Reserve | Share Premium Reserve | Share Forfeiture Reserve A/c | Retained Earnings | Equity Instruments through OCI | Other OCI | Total Equity |
| Balance as at 31st March 2022 | 30.00 | 5,486.56 | 2,183.64 | 1.03 | 2,386.59 | 198.77 | - | 10,286.59 |
| Profit/(Loss) for the year | - | - | - | - | 303.45 | - | - | 303.45 |
| Comprehensive Income/(Loss) of Year | - | - | - | - | - | (110.49) | - | (110.49) |
| Profit on Sale of Investment | - | - | - | - | 0.08 | (0.08) | - | - |
| Balance as at 31st March 2023 | 30.00 | 5,486.56 | 2,183.64 | 1.03 | 2,690.12 | 88.20 | - | 10,479.55 |

Description of reserves in statement of changes in equity

i) Capital Reserve:

Reserve created out of subsidy received at the time of startup, it's a free reserve hence will be used as per provision of the act.

ii) General Reserve:

General reserve is created and utilised in compliance with the provisions of the Act.

iii) Share Premium Account:

This reserve is used to record the premium on issue of shares. The reserve is available for utilisation in accordance with the provisions of the Act.

iv) Share Forfeiture Reserve A/c:

Represents the Paid up capital of share forfeited, will be used as per provision of the act.

v) Retained Earnings:

Retained earnings represents accumulated profits earned by the company and remaining undistributed as on date.

vi) Equity Instruments through OCI:

Represents unrealized income w.r.t. MTM of Investment. Will be used upon disposal of investments.

As per our separate report attached of even date

For and on Behalf of the Board of Directors

For B Nath & Co.
Chartered Accountants
Firm Regn No.:307057E


Sushil Patwari
DIN:00023980
Chairman


Sumit Ishwarlal Patwari
DIN:00024007
Managing Director



CA Gaurav More
Partner
M.No:306466
Place:Kolkata
Date:May 30,2023




Manoj Agarwal
Chief Financial Officer


Akansha Agarwal
Mem No.: A61906
Company Secretary

NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year ended 31st March, 2023.

1(a). COMPANY OVERVIEW:

The Company was incorporated on 6th March, 1989 under the laws of republic of India and has its registered office at Kolkata, West Bengal. The company is engaged in manufacturing and export of cotton yarn and other various merchandise. The shares of the company are listed in National Stock Exchange & Bombay Stock Exchange. Company has set up 100% export oriented unit with the state of art, Plant with manufacturing capacity of 55440 spindles at Kolhapur in Maharashtra. The company has also set up yarn dyeing and cotton bleaching plant at Kagal Kolhapur. The Company was also awarded International standard Organization certificate for export performance. The company's marketing network is spread over in various countries. The Company is also doing trading of cotton yarn and various commodities. The company is Merchant exporter also.

1(b). BASIS OF PREPERATION OF FINANCIAL STATEMENT:

The financial statements are prepared as a going concern under historical cost convention on accrual basis, except those with significant uncertainty and in accordance with the Companies Act, 2013 Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles and Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

2.1) Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost of fixed assets is inclusive of pre-operative expenses (Net of revenue) incurred up to the date of Commissioning of project/plant, exchange losses or gains arising on specific foreign currency loan taken for acquiring the assets.

2.3) Capital Work in Progress

All pre-operative expenses incurred on Capital Work in Progress allocated to related fixed assets on Pro-rata Basis.

2.4) Depreciation and amortisation of property, plant and equipment and intangible assets

- i) Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.
- ii) Lease Hold Land is being amortized over the lease period.
- iii) Intangible assets (computer softwares) are amortised on straight-line method at the rates determined based on estimated useful lives.

2.5) Impairment

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.6) Financial instruments



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year ended 31st March, 2023.

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

Effective interest method

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

i) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year ended 31st March, 2023.

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

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

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

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

ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

2.7) Cash Flow

Cash Flows are reported using Indirect Method, where by profit / (Loss) before extraordinary items and its tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

2.8) Valuation of Inventories

Raw Materials : Valued at Cost or Net Realisable Value whichever is lower (Cost is computed using "Weighted Average Cost Method").

Work-in-Progress : Valued at Cost or Net Realisable Value whichever is lower (Cost includes material Cost plus appropriate share of overhead) (Cost is computed Using "Weighted Average Cost Method").

Finished goods :

i) **Manufacturing goods** :At Cost or Net Realisable Value whichever is lower (Cost includes Cost of Purchase, Conversion Cost, and other Cost i.e. overhead) (Cost is computed using "Weighted Average Cost Method").

ii) **Trading goods** : At Cost or Net Realisable Value whichever is lower (Cost is computed using " Specific Identification Method").

Packing Materials, : At Cost or Net Realisable Value whichever is lower (Cost is Computed Using "FIFO Method")

Stores & Spare Parts : At Cost or Net Realisable Value whichever is lower (Cost is Computed Using "FIFO Method")

Waste : At Realisable Value

2.9) Revenue Recognition



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year ended 31st March, 2023.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Sale of Services

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

2.10) Provision, Contingent Liabilities & Contingent Assets

Provision 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. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statement.

2.11) Retirement Benefits To Employees

i) Leave Encashment:

Accrued liability for leave encashment has been provided for as per management valuation.

ii) Gratuity:

Accruing liability for gratuity to employees is covered by the Group Gratuity-Cash – Accumulation Scheme of LIC of India and annual contribution due there under are paid /provided in accordance therewith.

2.12) Foreign Currency Transactions

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-“First time adoption of Indian Accounting Standard” are recognised directly in equity or added/deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

Loans in foreign currency for financing the fixed assets are converted at the prevailing exchange rate on the transaction dates. Liabilities payable in foreign currencies on the date of Balance Sheet are restated and all exchange rate differences arising from such restatement are adjusted with the fixed asset.

2.13) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

2.14) Provision For Current And Deferred Tax

Provision for Current Tax is made on the basis of taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax resulting from “timing difference” between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

2.15) Government Grants / Subsidies / Insurance Claim

Government grants / subsidies / Insurance Claims are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the Profit & Loss Account either as income or deducted from related expenses. Capital grants / subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the Capital Reserve.



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year ended 31st March, 2023.

2.16) Critical accounting judgment and estimates

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a high degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

Critical estimates and judgments

The areas involving critical estimates and judgments are:

i) Taxation

The Company is engaged in manufacturing & Trading activities and also subject to tax liability under MAT provisions. Significant judgment is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgment is involved in determining the deferred tax position on the balance sheet date.

ii) Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Employee Benefits

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

iv) Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

2.17) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

2.18) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.19) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS as at and for the Year ended 31st March, 2023.

NOTE NO.3
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

NAGREEKA EXPORTS LIMITED

(Rs. In Lakhs)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MAR 2023

| PARTICULARS | GROSS BLOCK AT COST | | | | DEPRECIATION | | | | | NET BLOCK | |
|--------------------------|---------------------|-----------------|----------------|------------------|------------------|---------------|---------------|--------------|------------------|------------------|------------------|
| | As at 1st | Addition during | Adjustment/ | As at 31st | As at 1st | For the | Adjustment | Depreciation | Upto 31st | As at 31st | As at 31st |
| | April, 2022 | the year | Disposed/Sales | MAR, 2023 | April, 2022 | year | For Deduction | Written back | MAR, 2023 | MAR, 2023 | March, 2022 |
| Land & Site Development | 25.81 | - | 2.20 | 23.61 | - | - | - | - | - | 23.61 | 25.81 |
| Land (Lease Hold) | 521.28 | - | - | 521.28 | 61.32 | 5.75 | - | - | 67.07 | 454.21 | 459.96 |
| Office Premises | 142.69 | - | 12.81 | 129.88 | 61.11 | 2.17 | 3.49 | - | 59.79 | 70.08 | 81.57 |
| Factory Building | 3,619.86 | - | - | 3,619.86 | 1,664.94 | 111.69 | - | - | 1,776.63 | 1,843.22 | 1,954.91 |
| Godown | 67.66 | - | 20.40 | 47.26 | 28.30 | 1.51 | 8.55 | - | 21.26 | 25.99 | 39.36 |
| Plant & Machinery | 18,589.34 | 195.72 | 366.40 | 18,418.66 | 10,095.93 | 548.24 | 198.11 | - | 10,446.05 | 7,972.60 | 8,493.41 |
| Furniture & Fixtures | 347.31 | - | - | 347.31 | 229.70 | 21.78 | - | - | 251.48 | 95.83 | 117.61 |
| Air Conditioner | 45.01 | 1.14 | - | 46.15 | 33.82 | 2.49 | - | - | 36.30 | 9.85 | 11.19 |
| Vehicles | 301.23 | - | - | 301.23 | 159.74 | 24.53 | - | - | 184.27 | 116.97 | 141.49 |
| Computer | 73.23 | 6.09 | - | 79.32 | 59.94 | 5.70 | - | - | 65.64 | 13.68 | 13.29 |
| Office Equipments | 67.10 | 5.00 | - | 72.09 | 52.04 | 3.98 | - | - | 56.02 | 16.07 | 15.05 |
| Non Factory Building | 87.18 | - | - | 87.18 | 31.42 | 3.20 | - | - | 34.62 | 52.56 | 55.76 |
| Refrigerator | 1.49 | - | - | 1.49 | 1.42 | - | - | - | 1.42 | 0.07 | 0.07 |
| Old Machine in Hand | 3.92 | - | - | 3.92 | - | - | - | - | - | 3.92 | 3.92 |
| Grand Total | 23,893.11 | 207.94 | 401.81 | 23,699.24 | 12,479.70 | 731.02 | 210.15 | - | 13,000.57 | 10,698.67 | 11,413.41 |
| Previous Year | 23,886.77 | 533.42 | 527.08 | 23,893.11 | 12,083.73 | 728.66 | 332.70 | - | 12,479.70 | 11,413.41 | |
| Capital Work in Progress | | | | | | | | | | | |

Notes :

- Office Premises includes Rs.1,500/- towards cost of shares of co-operative society.
- Lease Hold Land includes Rs, 5,000/- towards cost of shares of West Bengal Hosiery Park Infrastructure Ltd.
- The company has not revalued its Property, plant & Equipment, intangible assets and as such disclosure requirement as per amendment to Schedule III, on revaluation of Property, Plant & Equipment is not applicable.
- The company does not have any Capital Work-in-progress (CWIP) at the end of the current and previous financial year, as such disclosure requirement relating to CWIP is not applicable.
- All the immovable properties in the company are held in the name of the company.



NAGREEKA EXPORTS LIMITED

Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs. In Lakhs)

| Note No | | As at 31st March 2023 | As at 31st March, 2022 |
|---------|--|--------------------------|------------------------|
| 4 | INVESTMENTS - NON-CURRENT | | |
| | Investment measured at Fair Value Through Other Comprehensive Income | | |
| | Unquoted, fully paid - up: | 50.00 | 50.00 |
| | 62,500 Tirumala Mart P. Ltd | 366.94 | 366.94 |
| | 12,966 Jaidka Motor Co. Ltd of Rs. 10/- each | 0.05 | 0.05 |
| | 500 Sangli Urabn Co-Op bank of Rs. 10/- each | 0.05 | 0.05 |
| | 500 WB Hosiery Park of Rs. 10/- Each | 417.04 | 417.04 |
| | (A) | | |
| | Quoted, fully paid - up: | 28.03 | 10.46 |
| | 115600 Shares Nagreeka Capital & Infrastructure Ltd | 1.12 | 1.45 |
| | 20 Shares of Bajaj Finance Ltd | | |
| | 145428 Shares (Previous year 147600 Shares) | 399.13 | 595.34 |
| | Vedanta Ltd | 428.28 | 607.26 |
| | (B) | | |
| | In Mutual Fund Quoted: | 25.23 | 26.13 |
| | 47,975.30 Units Sundaram BNP Paribas Equity Multiplier Fund | 38.68 | 37.74 |
| | 5420.354 Units Sundaram BNP Paribas Select Mid Cap | 9.07 | 7.84 |
| | 50,000 SBI Gold Fund | | |
| | Total of Investment measured at Fair Value Through Other Comprehensive Income | 72.99 | 71.71 |
| | (C) | | |
| | (A+B+C) | 918.31 | 1,096.00 |
| | TOTAL INVESTMENTS | | |
| | Aggregate Book value of: | 501.27 | 678.96 |
| | a) Aggregate Value of Quoted Investments | 501.27 | 678.96 |
| | b) Market Value of Quoted Investments | 417.04 | 417.04 |
| | c) Aggregate Value of Unquoted Investments | | |

Note:- Cost of unquoted equity instruments have been considered as an appropriate estimate of fair value because of wide range of possible fair value measurement and cost represent the best estimate of fair value within that range.

| 5 | | As at 31st March 2023 | As at 31st March, 2022 |
|---|--|--------------------------|------------------------|
| | LOANS & ADVANCES (Unsecured, considered good) | | |
| | A. NON CURRENT LOANS & ADVANCES | 147.30 | 134.76 |
| | Security Deposits against Flat | 147.30 | 134.76 |
| | (A) | | |
| | B. CURRENT LOANS & ADVANCES | 25.77 | 25.72 |
| | Deposits | 141.51 | 131.56 |
| | Loans & Advances to Employees | 167.28 | 157.29 |
| | (B) | | |
| | (A+B) | 314.58 | 292.04 |
| | TOTAL LOANS AND ADVANCES | | |

Note : No Loan and advance has been given to any of its Promoters, Directors, KMP or related parties during the year. Hence, there is no amount outstanding.

| 6 | | As at 31st March 2023 | As at 31st March, 2022 |
|---|--|--------------------------|------------------------|
| | OTHER FINANCIAL ASSETS (Unsecured, considered good) | | |
| | OTHER CURRENT FINANCIAL ASSETS | 118.41 | 96.29 |
| | Other Receivables | 118.41 | 96.29 |
| | TOTAL OTHER FINANCIAL ASSETS | | |

| 7 | | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|--------------------------|------------------------|
| | DEFERRED TAX (ASSETS)/LIABILITY (NET) | | |
| | Balance as per last financial statements | 1,330.14 | 1,148.25 |
| | Add: Deferred Tax (Asset)/Liability recognised for the year | -263.33 | 181.90 |
| | Total | 1,066.81 | 1,330.14 |

7.1 Components of Net Deferred tax liabilities as on the balance sheet date are as follows:

| PARTICULARS | As at 31st March 2023 | As at 31st March, 2022 |
|---|--------------------------|------------------------|
| Deferred tax liabilities on | | |
| Fixed assets: Impact of difference of WDV as per Co's Act and As per IT Act | 1,698.00 | 1,954.65 |
| Other Tax Base | -1.25 | 18.32 |
| (A) | 1,696.75 | 1,972.97 |
| Deferred tax assets on | | |
| Other temporary differences | 44.00 | 69.76 |
| Unabsorbed Business Losses | 135.00 | 167.16 |
| MAI Credit Entitlement | 450.94 | 405.91 |
| (B) | 629.94 | 642.83 |
| (A-B) | 1,066.81 | 1,330.14 |
| Net deferred tax (Assets)/liabilities | | |



Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs. In Lakhs)

| | | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|-----------------------|------------------------|
| 8 | OTHER ASSETS (Unsecured, considered good) | | |
| | | 34.86 | 34.50 |
| | A. OTHER NON CURRENT ASSETS | 7.31 | 14.64 |
| | Deposits with Govt. Authorities | | |
| | Prepaid Rent Expenses (FV Measurement A/c Deposits) | 42.17 | 49.14 |
| | (A) | | |
| | | 1,671.30 | 2,623.21 |
| | B. OTHER CURRENT ASSETS | 447.21 | 377.61 |
| | Balance with statutory / government Authority | | |
| | Advance Taxes (Net of Provisions) | 118.34 | 259.51 |
| | Prepaid Expenses | 7.33 | 7.31 |
| | Prepaid Rent Expenses (FV Measurement A/c Deposits) | 3,913.28 | 4,820.73 |
| | Advances against Goods & Expenses | 6,157.46 | 8,088.37 |
| | (B) | | |
| | (A+B) | 6,199.63 | 8,137.51 |
| | TOTAL OTHER ASSETS | | |

(Rs. In Lakhs)

| | | As at 31st March 2023 | As at 31st March, 2022 |
|---|---|-----------------------|------------------------|
| 9 | INVENTORIES | | |
| | | 6,133.38 | 5,175.73 |
| | Raw Material | 756.54 | 504.24 |
| | Work-in-progress | 2,900.79 | 3,260.64 |
| | Finished Goods | 1,815.06 | 1,964.07 |
| | Stock-in-Trade | 243.91 | 204.84 |
| | Stores, Spares, Packing Material & Fuel | 37.25 | 52.49 |
| | Dyes & Chemicals | 439.78 | 327.36 |
| | Waste Cotton | 12,326.71 | 11,489.37 |

(Rs. In Lakhs)

| | | As at 31st March 2023 | As at 31st March, 2022 |
|----|--|-----------------------|------------------------|
| 10 | TRADE RECEIVABLES | | |
| | | 2,164.60 | 1,781.70 |
| | - Trade Receivables considered good - Secured | | |
| | - Trade Receivables Considered good - Unsecured | | |
| | - Trade Receivables which have significant increase in credit risk | | |
| | - Trade Receivables - credit impaired | | |
| | Less : Loss Allowance | | |
| | Total Trade Receivables | 2,164.60 | 1,781.70 |
| | | 2,164.60 | 1,781.70 |
| | - Receivables from related parties | | |
| | - Others | | |
| | TOTAL TRADE RECEIVABLES | 2,164.60 | 1,781.70 |

(Rs. In Lakhs)

Trade receivables Ageing Schedule - Based on the requirements of Amended Schedule III

| Particulars | Outstanding from due date of payment as on March 31, 2023 | | | | | |
|--|---|-------------------|----------|-----------|-------------------|----------|
| | Up to 6 Months | 6 Months - 1 year | 1-2 Year | 2-3 Years | More than 3 years | Total |
| Undisputed | | | | | | |
| - Considered Good | 2,098.64 | 2.18 | 5.72 | 11.88 | 14.41 | 2,132.83 |
| - Which have significant increase in credit risk | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | 31.77 | 31.77 |
| Disputed | | | | | | |
| - Considered Good | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - |
| Less : Loss Allowance | - | - | - | - | - | - |
| Total | 2,098.64 | 2.18 | 5.72 | 11.88 | 46.18 | 2,164.60 |

(Rs. In Lakhs)

| Particulars | Outstanding from due date of payment as on March 31, 2022 | | | | | |
|--|---|-------------------|----------|-----------|-------------------|----------|
| | Up to 6 Months | 6 Months - 1 year | 1-2 Year | 2-3 Years | More than 3 years | Total |
| Undisputed | | | | | | |
| - Considered Good | 1,721.41 | 2.30 | 6.94 | 2.95 | 18.79 | 1,752.40 |
| - Which have significant increase in credit risk | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | 29.30 | 29.30 |
| Disputed | | | | | | |
| - Considered Good | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - |
| Less : Loss Allowance | - | - | - | - | - | - |
| Total | 1,721.41 | 2.30 | 6.94 | 2.95 | 48.10 | 1,781.70 |

- i) Trade Receivable of more than 3 years include a sum of Rs. 31.77 Lacs (previous year Rs. 29.30 Lacs), which is under litigation.
 ii) The credit period on sale of goods ranges from 7 to 120 days without security. No interest is charged on trade receivables upto the end of the credit period.
 iii) The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

(Rs. In Lakhs)

| | | As at 31st March 2023 | As at 31st March, 2022 |
|----|--|-----------------------|------------------------|
| 11 | CASH AND CASH EQUIVALENTS | | |
| | | 47.08 | 45.17 |
| | Cash in Hand | | |
| | Balances with banks | 59.65 | 39.53 |
| | (i) In current accounts | 106.73 | 84.70 |
| | TOTAL CASH AND CASH EQUIVALENTS | | |

(Rs. In Lakhs)



Notes forming parts of Financial Statements for the Year ended 31st March 2023

| | | | |
|----|--|------------------------------|-------------------------------|
| 12 | BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS | As at 31st March 2023 | As at 31st March, 2022 |
| | | 84.99 | 212.54 |
| | Unpaid Dividend Account | 84.99 | 212.54 |
| | Bank Deposit # | 84.99 | 212.54 |
| | TOTAL BANK BALANCE OTHER THAN NOTE 11 ABOVE | 84.99 | 212.54 |

Bank Deposits are restricted to use as Kept by bank as Lien towards Margin.

(Rs. In Lakhs)

| | | | |
|----|---|------------------------------|-------------------------------|
| 13 | SHARE CAPITAL | As at 31st March 2023 | As at 31st March, 2022 |
| | | 1,200.00 | 1,200.00 |
| | Authorised Share Capital | 1,200.00 | 1,200.00 |
| | 2,40,00,000 Equity shares of Rs.5/- each (Previous Year 2,40,00,000) | 300.00 | 300.00 |
| | 30,00,000 Preference Shares of Rs. 10/- each (Previous Years 30,00,000) | 1,500.00 | 1,500.00 |
| | Issued | 625.50 | 625.50 |
| | 1,25,10,000 Equity shares of Rs. 5/- each (Previous Year 1,25,10,000) | 250.00 | 250.00 |
| | 25,00,000 Preference Shares of Rs. 10/- each (Previous Year 25,00,000) | 875.50 | 875.50 |
| | Subscribed and paid up | 624.99 | 624.99 |
| | 1,24,99,700 Equity shares of Rs. 5/- each (Previous Year 1,24,99,700) | 0.52 | 0.52 |
| | Add : 10,300 Equity Forfeited Shares (Amount originally paidup) | 625.50 | 625.50 |

(Rs. In Lakhs)

| | | | | | |
|----|---|------------------------------|--------|-------------------------------|--------|
| i) | Reconciliation of number of Equity Shares and amount Outstanding | As at 31st March 2023 | | As at 31st March, 2022 | |
| | | Numbers | Rs. | Numbers | Rs. |
| | At the beginning of the period/year | 1,24,99,700 | 624.99 | 1,24,99,700 | 624.99 |
| | At the end of the period/year | 1,24,99,700 | 624.99 | 1,24,99,700 | 624.99 |

| | | | | | |
|-----|---|------------------------------|--------------|-------------------------------|--------------|
| ii) | The details of Shareholders holding more than 5% shares :- | As at 31st March 2023 | | As at 31st March, 2022 | |
| | | Numbers | % of Holding | Numbers | % of Holding |
| | Name of the share holder | | | | |
| | Sushil Patwari | 8,22,623 | 6.58% | 8,22,623 | 6.58% |
| | Sunil Patwari | 9,34,900 | 7.48% | 9,34,900 | 7.48% |
| | Dadra Eximp P. Ltd (Previously Nagreeka Synthetics Pvt. Ltd.) | 21,05,186 | 16.84% | 21,05,186 | 16.84% |
| | Lakcity Ventures P. Ltd | 8,14,823 | 6.52% | 8,14,823 | 6.52% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- iii) The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held.
- iv) 15% dividend on preference share will be decided by the Board of Directors as and when declared. Preference Shares Holder shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment of amount of capital.

| | | | | | | | |
|----|--|-------------------------------|--------------------|-----------|-------------------------------|--------------------|-----------|
| v) | Details of promoters shareholding | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
| | | Name of the Shareholders | No. of Shares held | % holding | % Change during the year | No. of Shares held | % holding |
| | Sunil Patwari | 9,34,900 | 7.48% | 0.00% | 9,34,900 | 7.48% | 0.00% |
| | Sushil Patwari | 8,22,623 | 6.58% | 0.00% | 8,22,623 | 6.58% | 0.00% |
| | Mahendra Patwari | 5,34,900 | 4.28% | 0.00% | 5,34,900 | 4.28% | 0.00% |
| | Satish Patwari | 5,33,000 | 4.26% | 0.00% | 5,33,000 | 4.26% | 0.00% |
| | Minakshi Patwari | 3,89,600 | 3.12% | 0.00% | 3,89,600 | 3.12% | 0.00% |
| | Ishwarlal Mahendra Kumar | 2,62,500 | 2.10% | 0.00% | 2,62,500 | 2.10% | 0.00% |
| | Ishwarlal Satish Kumar | 1,95,000 | 1.56% | 0.00% | 1,95,000 | 1.56% | 0.00% |
| | Ishwar Lal Patwari | 1,55,000 | 1.24% | 0.00% | 1,55,000 | 1.24% | 0.00% |
| | Sushil Patwari HUF | 1,50,000 | 1.20% | 0.00% | 1,50,000 | 1.20% | 0.00% |
| | Rashi Saraf | 1,00,000 | 0.80% | 0.00% | 1,00,000 | 0.80% | 0.00% |
| | Anita Patwari | 90,000 | 0.72% | 0.00% | 90,000 | 0.72% | 0.00% |
| | Usha Patwari | 86,000 | 0.69% | 0.00% | 86,000 | 0.69% | 0.00% |
| | Ishwarlal Sushil Kumar | 86,000 | 0.69% | 0.00% | 70,000 | 0.56% | 0.00% |
| | Sunil Patwari HUF | 70,000 | 0.56% | 0.00% | 70,000 | 0.56% | 0.00% |
| | Sarita Patwari | 70,000 | 0.56% | 0.00% | 70,000 | 0.56% | 0.00% |
| | Rahul Patwari | 20,000 | 0.16% | 0.00% | 20,000 | 0.16% | 0.00% |
| | Pratyush Patwari | 20,000 | 0.16% | 0.00% | 20,000 | 0.16% | 0.00% |

(Rs. In Lakhs)

| | | | |
|----|-----------------------------------|------------------------------|-------------------------------|
| 14 | OTHER EQUITY | As at 31st March 2023 | As at 31st March, 2022 |
| | | 30.00 | 30.00 |
| | Capital Reserve | 5,486.56 | 5,486.56 |
| | General Reserve | 2,183.64 | 2,183.64 |
| | Share Premium Reserve | 1.03 | 1.03 |
| | Share Forfeiture Reserve | 2,690.12 | 2,386.59 |
| | Retained Earnings | 88.20 | 198.77 |
| | OTHER COMPREHENSIVE INCOME | | |
| | TOTAL OTHER EQUITY | 10,479.55 | 10,286.59 |

(A to F)



Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs. In Lakhs)

| | | As at 31st March 2023 | As at 31st March, 2022 |
|--|-------------------|---------------------------|------------------------|
| 15 | BORROWINGS | | |
| A. NON CURRENT BORROWINGS | | | |
| I) SECURED | | | |
| Term Loans | | 5,404.01 | 4,611.84 |
| - From Banks | | 250.00 | 250.00 |
| II) 25,00,000 Non Convertible Cumulative Redeemable Preference Shares (Rs. 10 Each Fully Paid Up) | | | |
| II) Deferred Payment Liabilities | | 17.28 | 48.14 |
| Vehicle Loans | | (A) 5,671.29 | 4,909.98 |
| Total | | (B) -1,099.75 | -1,237.48 |
| Less: Amount disclosed under the head "Current Borrowings" | | C = (A-B) 4,571.53 | 3,672.51 |
| Total | | | |
| II) UNSECURED | | | |
| Loans from Promotor/Director | | (D) 1,220.10 | 1,120.10 |
| TOTAL LONG TERM BORROWINGS | | (C to D) 5,791.63 | 4,792.61 |
| B. CURRENT BORROWINGS | | | |
| A) SECURED | | | |
| I) From Banks | | (A) | 203.97 |
| Bills Payable (under LC) | | | |
| II) From Others | | (B) 177.54 | 156.17 |
| - From financial Institution | | | |
| III) Working Capital Loan | | (C) 10,978.71 | 12,669.67 |
| Export Packing Credit from Banks | | | |
| IV) Current maturities of Long Term Borrowings | | (D) 1,099.75 | 1,237.48 |
| TOTAL SHORT TERM BORROWINGS | | (A to D) 12,256.00 | 14,267.30 |

- i) Rupee Term loan from Canara Bank - Kolkata is secured by:
- (a) an equitable mortgage ranking exclusive charges inter-se by deposit of title deeds of all the immovable properties of the company both present and future, relating to its processing unit at Plot No. T-48, Kagal - Hatkanangale Five Star Industrial Area, MIDC, Villange : Talandage, Tal. Hatkanangale, District : Kolhapur, Maharashtra-416236
- (b) all the existing securities for other regular limits will be available as collateral security as second charge on pari passu basis.
- ii) Working Capital Loan from Canara Bank, Mid Corporate Branch, Kolkata , Punjab National Bank , Mid Corporate Branch, Kolkata, Indian Bank, CFB Mission Row Branch, Kolkata, Karnataka Bank Ltd, Overseas Branch, Kolkata and State Bank of India - Overseas Branch, Mumbai are secured by way of:
- (a) First charge by way of hypothecation of stock of Raw materials, Work-in-process, finished goods and book debts relating to spinning unit at Village : Yavluj, District : Kolhapur, Maharashtra, and processing unit at Kagal - Hatkanangale Five Star Industrial Area, MIDC, Village : Talandage, Tal. Hatkanangale, District : Kolhapur, Maharashtra and stock-in-trade related to trading unit at various Ports/Warehouses in India, both present and future in a form and manner satisfactory to the bank, ranking pari passu with each other among participating working capital banks in consortium.
- (b) Second charge on all the fixed assets of the company situated at Village Yavluj, and Talandage both at Kolhapur, both present and future ranking pari passu with each other among
- (c) Personal guarantee of some of the Directors of the Company.
- (iii) Common Covid 19 Emergency Credit Line Loan from Indian Bank ,CFB Mission Row Branch, Kolkata is secured by way of:
- (a) First Charge on the current assets on pari passu basis.
- (b) 2nd pari passu charges on the fixed assets of the Company situated at Village Yavluj and talandage both at Kolhapur on pari passu basis with Working capital lending bank in consortium and Personal guarantee of some of the Directors of the company
- (iv) Guaranteed Emergency Credit Line (GECL 2.0) Loan from Canara Bank, Mid Corporate Branch, Kolkata, Punjab National Bank , Mid Corporate Branch, Kolkata, Indian Bank, CFB Mission Row Branch, Kolkata and State Bank of India - Overseas Branch, Mumbai, and Karnataka Bank Ltd, Overseas Branch, Kolkata are secured by way of:
- (a) Primary Security : On the current assets and fixed assets purchased / created out of the credit facilities so extended and Pari Passu charge on the entire current assets of the Company and extension of second pari passu charge on fixed assets of the Company situated at Village Yavluj and talandage both at Kolhapur.
- (b) Collateral Security: No fresh collateral security. GECL 2.0 shall rank second charge with the existing credit facility in terms of cash flow and securities.
- Guarantee Emergency Credit line (GECL 2.0 Extn) Loan from Canara bank, Mid Corporate Branch, Kolkata, Punjab National Bank, Mid Corporate Branch, Kolkata, Indian Bank, CFB Mission Row Branch, Kolkata are secured by way of:
- (a) Primary Security: On the current assets and fixed assets purchased/created out of the credit facilities so extended and Pari Passu charge on the entire current assets of the company and extension of second Pari Passu charge on fixed assets of the company situated at Village Yavluj and Talandage both at Kolhapur.
- (b) Collateral Securities: No fresh collateral Securities, GECL 2.0 shall rank second charge with the existing credit facility in terms of cash flow and securities.
- Facilities are also covered under Emergency Credit Line Guarantee scheme (ECLGS) administered by National Credit Guarantee Trustee Company (NCGTC) Ltd.

| The scheduled maturity of long term borrowings (gross) is summarised as under | | | | |
|---|-------------------------------------|------------------------|-------------------------------------|------------------------|
| Particulars | As at 31st March 2023 | | As at 31st March 2022 | |
| | Rupee Loan from Bank / Vehicle Loan | Rupee Loan from Others | Rupee Loan from Bank / Vehicle Loan | Rupee Loan from Others |
| Borrowings Repayable | 1,099.75 | - | 1,237.48 | - |
| Current Maturities of long term debt | 1,099.75 | - | 1,237.48 | - |
| In the second Year | 1,388.86 | - | 1,122.65 | - |
| In the Third to Fifth Year | 2,778.70 | 1,220.10 | 2,299.85 | 1,120.10 |
| After Five Year | 153.97 | - | - | - |
| Long Term Borrowings | 4,321.53 | 1,220.10 | 3,422.51 | 1,120.10 |



Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs. In Lakhs)

| | | |
|--|--------------------------|------------------------|
| | As at 31st March 2023 | As at 31st March, 2022 |
|--|--------------------------|------------------------|

16 OTHER FINANCIAL LIABILITIES

A. OTHER CURRENT FINANCIAL LIABILITIES

| | | |
|--|--------|----------------|
| Unpaid Dividends | 17.62 | 105.46 |
| Cheques, Drafts in Hand (Book Overdraft) | 839.52 | 889.06 |
| Creditors for Expenses & Others | 857.14 | 994.52 |
| (B) | | 1841.14 |

(Rs. In Lakhs)

17 PROVISIONS

A. NON CURRENT PROVISIONS

| | | |
|---------------------------------------|--------------|--------------|
| Accrued Dividend on Preference Shares | 19.21 | 19.21 |
| (A) | 19.21 | 19.21 |

B. CURRENT PROVISIONS

| | | |
|---------------------------------|---------------|---------------|
| Provision for Employee benefits | 167.82 | 168.85 |
| Provision for Gratuity | 307.23 | 313.22 |
| Provision for Expenses | 185.36 | 313.13 |
| (B) | 660.41 | 795.20 |

TOTAL PROVISIONS

(A+B) **679.62** **814.41**

(Rs. In Lakhs)

18 TRADE PAYABLES

| | | |
|--|--------------------------|------------------------|
| | As at 31st March 2023 | As at 31st March, 2022 |
| For Goods & Services: | 41.47 | 39.23 |
| - Total outstanding dues of Micro, small & medium Enterprises | 440.74 | 1,096.47 |
| - Total outstanding dues of creditors other than micro, small & medium enterprises | 482.21 | 1,135.70 |

TOTAL TRADE PAYABLES

- i) Due payable to Micro & Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006." have been determined to the extent such parties have been identified on the basis of information available with the Company, The disclosure pursuant to said Act in respect of such dues included in trade payables (Note 18) is as under:

(Rs in Lakhs)

| | | |
|--|--------------------------|------------------------|
| | As at 31st March 2023 | As at 31st March, 2022 |
| Particular | 41.47 | 39.23 |
| i) Principal Amount Due | NIL | NIL |
| ii) Interest on Principle Amount due | NIL | NIL |
| iii) Interest & Principle Amount paid beyond appointment day | NIL | NIL |
| iv) The Amount of Interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act, 2006. | NIL | NIL |
| v) The amount of Interest Accrued and remaining unpaid at the end of the year | NIL | NIL |
| vi) The Amount of further interest remaining due & payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act, 2006. | NIL | NIL |

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

Trade Payables Ageing Schedule - Based on the requirement of Amended Schedule III

(Rs in Lakhs)

| As on March 31, 2023 | | | | | | |
|--|---|--------------|-------------|--------------|-------------------|---------------|
| Particulars | Outstanding as on March 31, 2023 from due date of payment | | | | | Total |
| | Not Due | Up to 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| - Total outstanding dues of micro enterprises and small enterprises | 41.47 | - | - | - | - | 41.47 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 388.27 | 3.84 | 7.51 | 33.15 | 7.98 | 440.74 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 429.74 | 3.84 | 7.51 | 33.15 | 7.98 | 482.21 |

As on March 31, 2022

| As on March 31, 2022 | | | | | | |
|--|---|--------------|--------------|--------------|-------------------|-----------------|
| Particulars | Outstanding as on March 31, 2022 from due date of payment | | | | | Total |
| | Not Due | Up to 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| - Total outstanding dues of micro enterprises and small enterprises | 39.23 | - | - | - | - | 39.23 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 902.64 | 24.89 | 50.16 | 75.72 | 43.06 | 1,096.47 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| Total | 941.87 | 24.89 | 50.16 | 75.72 | 43.06 | 1,135.70 |

There are no unbilled due payable as on 31st March, 2023 and on 31st March, 2022



Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs in Lakhs)

| | | As at 31st March 2023 | As at 31st March, 2022 |
|----|--|-----------------------|------------------------|
| 19 | OTHER CURRENT LIABILITIES | | |
| | Advance from Customers | 477.40 | 311.71 |
| | Advance for Others | 151.19 | - |
| | Statutory Remittance | 65.58 | 45.09 |
| | TOTAL OTHER CURRENT LIABILITIES | 694.17 | 356.80 |

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|---|----------------------------------|-----------------------------------|
| 20 | REVENUE FROM OPERATION | | |
| | Sale of Products | 27,635.86 | 30,886.79 |
| | Finished Goods | 9,718.59 | 22,268.78 |
| | Traded Goods | 840.87 | 666.05 |
| | Waste | | |
| | (A) | 38,195.32 | 53,821.61 |
| | Other operating revenues | 27.81 | 14.56 |
| | Scrap Sales | - | 2.37 |
| | Jobwork Charges | 686.53 | 1,457.75 |
| | Export Incentives & Exchange Rate Diff. | | |
| | (B) | 714.34 | 1,474.68 |
| | Less: Claims & Discount | 58.41 | 117.47 |
| | Claims & Discounts | 58.41 | 117.47 |
| | (C) | | |
| | TOTAL REVENUE FROM OPERATIONS | 38,851.25 | 55,178.83 |

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|---|----------------------------------|-----------------------------------|
| i) | Sale of products comprises | | |
| | Manufactured goods | | 46.74 |
| | Dyed Yarn | 16,078.15 | 23,405.75 |
| | Cotton Yarn | 10.56 | 63.55 |
| | Knitted Fabrics | 9,911.41 | 7,037.15 |
| | Bleached Cotton | 1,635.74 | 333.60 |
| | Fine Cotton | 840.87 | 666.05 |
| | Waste | | |
| | Total - Sale of manufactured goods | 28,476.73 | 31,552.83 |
| | Traded goods | 7,523.98 | 21,136.89 |
| | Cotton Yarn | | 21.02 |
| | Knitted Fabric | 1,307.42 | 1,110.88 |
| | Silico Magnese | 383.27 | - |
| | Fero Manganese | 503.92 | - |
| | Others | | |
| | Total - Sale of traded goods | 9,718.59 | 22,268.78 |
| | (A+B) | 38,195.32 | 53,821.61 |
| | Total - Sale of products | | |

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|--|----------------------------------|-----------------------------------|
| 21 | OTHER INCOME | | |
| | Dividend income from long-term investments | 117.72 | 64.50 |
| | Other non-operating income | 110.15 | 21.18 |
| | TOTAL OTHER INCOME | 227.87 | 85.68 |



Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|--|-------------------------------------|--------------------------------------|
| 22 | COST OF MATERIAL CONSUMED | | |
| | Opening stock | 5,175.73 | 3,830.86 |
| | Add: Purchases | 20,700.96 | 24,000.35 |
| | | 25,876.69 | 27,831.21 |
| | Less: Closing stock | 6,133.38 | 5,175.73 |
| | Cost of material consumed | 19,743.31 | 22,655.49 |
| i) | Material consumed comprises | 13,098.80 | 17,809.70 |
| | Raw Cotton | 841.91 | 1,960.86 |
| | Cotton Yarn | 5,802.60 | 2,884.93 |
| | Comber Nail | | |
| | Total Cost of material consumed | 19,743.31 | 22,655.49 |

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|---------------------------------------|-------------------------------------|--------------------------------------|
| 23 | PURCHASE OF TRADED GOODS | | |
| | Cotton Yarn | 7,621.76 | 18,725.56 |
| | Others | 166.42 | - |
| | Silico MANGANESE | - | 1,224.48 |
| | Ferro MANGANESE | 1,377.31 | - |
| | TOTAL PURCHASE OF TRADED GOODS | 9,165.49 | 19,950.04 |

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|---|-------------------------------------|--------------------------------------|
| 24 | CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE | | |
| | Inventories at the end of the year | 2,900.79 | 3,260.64 |
| | Finished goods | 1,815.06 | 1,964.07 |
| | Stock-in-trade | 756.54 | 504.24 |
| | Work-in-progress | 439.78 | 327.36 |
| | Waste | | |
| | (A) | 5,912.16 | 6,056.31 |
| | Inventories at the beginning of the year: | 3,260.64 | 1,585.11 |
| | Finished goods | 1,964.07 | 2,868.82 |
| | Stock-in-trade | 504.24 | 354.04 |
| | Work-in-progress | 327.36 | 341.13 |
| | Waste | | |
| | (B) | 6,056.31 | 5,149.09 |
| | (B-A) | 144.15 | -907.22 |
| | Net (increase) / decrease | | |

(Rs in Lakhs)

| | | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----|--|-------------------------------------|--------------------------------------|
| 25 | EMPLOYEES BENEFIT EXPENSES | | |
| | Salaries and wages | 2,267.31 | 2,609.24 |
| | Contributions to provident and other funds | 121.96 | 129.23 |
| | Staff welfare expenses | 30.11 | 36.69 |
| | Gratuity Expenses | 41.82 | 42.06 |
| | TOTAL EMPLOYEE BENEFIT EXPENSES | 2,461.20 | 2,817.21 |

(i) Disclosure pursuant to Indian Accounting Standard (Ind AS) - 19 : Employee Benefit

a) Defined Contribution Plan

(Rs in Lakhs)

| Particulars | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|---|-------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund | 112.26 | 115.06 |
| Employee's Contribution to Provident Fund | 109.30 | 115.84 |

b) Defined Benefit Plan - Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for lumpsum payment at the time of separation; based on scheme rules, the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years.

Associated Risks :

The design entitles the following risks that affect the liabilities and cash flows:

Interest Rates Risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yield fall, the defined benefit obligation will tend to increase. Thus the plan exposes the Company to the risk of fall in interest rates. Some times, the fall can be permanent, due to a paradigm shift in interest rate scenarios because of economic or fiscal reasons. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements). Even for funded schemes, a paradigm downward shift in bond yields may affect the reinvestment yields and may increase ultimate costs.

Salary Inflation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary escalation rate(SER), which is applied to find the salary of plan participants in future, at the time of separation Higher than expected increase in salary will increase the defined benefit obligation and will have an exponential effect.

Demographic risks:

This is the risk of volatility of results due to unexpected nature of documents that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase discount rate, and vesting criteria and therefore not very straight forward. It is important and not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compares to long service employees.

Assets Liability Mismatch:

This will come into play unless the funds are invested with a term of the assets replicating the terms of the liability.



Notes forming parts of Financial Statements for the Year ended 31st March 2023

(Rs in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| | (Rs in Lakhs) | |
| (A) Changes in Defined Benefit Obligation | 808.64 | 746.53 |
| Present Value of Defined Benefit Obligation as at the beginning of the year | 41.11 | 44.21 |
| Current Service Cost | 0.00 | 0.00 |
| Prior Service Cost | 59.46 | 50.31 |
| Interest cost | -65.74 | 23.19 |
| Actuarial (Gain) / Loss | -23.08 | -55.60 |
| Benefit paid | 820.40 | 808.64 |
| Present value of obligations as at end of year | | |
| (B) Changes in the Fair Value of Assets | 495.42 | 458.84 |
| Fair value of Plan Assets at the beginning of the year | 36.68 | 32.40 |
| Expected return of Plan Assets | -4.50 | -3.76 |
| Actuarial Gain / (Loss) on Plan Assets | 15.74 | 63.55 |
| Contribution by Employer | -23.08 | -55.60 |
| Benefit Paid | 520.27 | 495.42 |
| Fair value of Plan Assets at the end of the year | | |
| (C) Amount recognised in the Balance Sheet | 820.40 | 808.64 |
| Present Value of Defined Benefit Obligation | 520.27 | 495.42 |
| Fair Value of Plan Assets | -300.13 | -313.22 |
| Net Assets/ (Liability) recognised in the Balance Sheet | | |

| Particulars | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|--|----------------------------------|-----------------------------------|
| | (Rs in Lakhs) | |
| (D) Actuarial (Gain) / Loss Recognised | -65.74 | 23.19 |
| Actuarial (Gain) / Loss on Obligation | 4.50 | 3.76 |
| Actuarial (Gain) / Loss on Plan Assets | -61.24 | 26.95 |
| Actuarial (Gain) / Loss Recognised during the year. | | |
| (E) Expenses charged to Profit & Loss Account | 41.11 | 44.21 |
| Current service cost | 0.00 | 0.00 |
| Prior Service cost | 59.46 | 50.31 |
| (F) Interest Cost | -36.68 | -32.40 |
| Expected Return on Plan Assets | -61.24 | 26.95 |
| Actuarial (Gain) / Loss | 2.65 | 89.07 |

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---------------------------------|------------------------|-----------|------------------------|-----------|
| | Increase in DOB | Liability | Increase in DOB | Liability |
| | % | Rs. | % | Rs. |
| (F) Sensitivity Analysis | | | | |
| Discount Rates | | | | |
| + 100 Basis Points | -7.51% | 758.75 | -7.87% | 744.97 |
| - 100 Basis Points | 8.59% | 890.89 | 9.04% | 881.74 |
| Salary Growth | | | | |
| + 100 Basis Points | 8.49% | 890.05 | 8.92% | 880.74 |
| - 100 Basis Points | -7.54% | 758.55 | -7.90% | 744.78 |
| (G) Withdrawal Rates | | | | |
| + 100 Basis Points | 1.18% | 830.11 | 1.22% | 818.49 |
| - 100 Basis Points | -1.30% | 809.72 | -1.34% | 797.79 |

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| | (Rs. In lakhs) | |
| (G) Maturity profile of Defined Benefit Obligation | 41.04 | 47.22 |
| i) Year 1 | 195.11 | 168.16 |
| ii) Year 2 to Year 5 | 239.80 | 229.46 |
| iii) Year 6 to Year 10 | 344.45 | 363.81 |
| iv) Above Year 10 | | |

| Particulars | As at 31st March 2023 | | As at 31st March, 2022 | |
|--|-----------------------|------|------------------------|------|
| | Rs. | % | Rs. | % |
| (H) The Major Categories of Plan Assets as a Percentage of Total Plan | | | | |
| Insurance Policies | 520.27 | 100% | 495.42 | 100% |

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---|---|
| | (Rs. In lakhs) | |
| (I) The principal assumptions used in determining gratuity obligations for the company's plans are shown below: | | |
| Discount rate (per annum) | 7.55% | 7.46% |
| Salary increase (per annum) | 5.00% | 5.00% |
| Expected rate of return on assets | 7.46% | 7.00% |
| Inflation Rate | 3.00% | 3.00% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

(J) March' 2023 & March' 2022 - 100% with Life Insurance Corporation of India Ltd.

The Company has also computed and made necessary provisions on account of leave encashment benefits as per Management Valuation. The total service eligibility as per the Company's leave rules are estimated and provided in the books as a revenue expenditure after making adjustment towards the benefit paid on this benefit obligation were carried out at 31st March, 2023

| Particulars | For the FY Ended 31st March 2023 | For the FY Ended 31st March, 2022 |
|----------------------------|----------------------------------|-----------------------------------|
| | (Rs. In Lakhs) | |
| 26 FINANCE COST | | |
| Interest Expenses | 777.49 | 1,096.93 |
| Other Borrowing Cost | 293.83 | 265.20 |
| TOTAL FINANCE COSTS | 1,071.32 | 1,362.14 |



NAGREEKA EXPORTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS as at and for the Year ended 31st March 2023

| | | (Rs. In Lakhs) | |
|----|--|---------------------------------------|--|
| | | For the year Ended 31st March 2023 | For the year Ended 31st March, 2022 |
| 27 | OTHER EXPENSES | | |
| | Manufacturing Expenses | 839.58 | 975.97 |
| | Consumption of Stores, Spares & Packing Material | 1,934.46 | 2,414.77 |
| | Power and Fuel | 25.44 | 29.84 |
| | Processing Charges | 36.32 | 45.68 |
| | Repairs and maintenance - Buildings | 177.05 | 200.36 |
| | Repairs and maintenance - Machinery | <u>3,012.84</u> | <u>3,666.63</u> |
| | Selling & Distribution Expenses | 1,216.98 | 2,436.49 |
| | Outward Freight | 367.25 | 413.76 |
| | Other Selling Expenses | 230.48 | 414.76 |
| | Commission on Sale | <u>1,814.70</u> | <u>3,265.01</u> |
| | Eaestablishment & Other Expenses | 41.25 | 10.31 |
| | Rent | 28.56 | 35.72 |
| | Rates and taxes | 24.79 | 25.71 |
| | Communication Charges | 250.23 | 173.22 |
| | Travelling and conveyance | 180.41 | 197.15 |
| | Insurance | 18.89 | 42.46 |
| | Expenses towards CSR Activities | 350.84 | 434.18 |
| | Loss on Sale of Fixed Assets | <u>894.96</u> | <u>918.76</u> |
| | Miscellaneous Expenses | <u>5,722.51</u> | <u>7,850.40</u> |
| | TOTAL OTHER EXPENSES | | (Rs. In lakhs) |

| | | (Rs. In lakhs) | |
|----|---|---------------------------------------|--|
| | | For the year Ended 31st March 2023 | For the year Ended 31st March, 2022 |
| i) | Miscellaneous Expenses includes payment to Statutory Auditor as : | | |
| | Statutory Audit Fees | 2.05 | 2.05 |
| | Tax Audit Fees | 0.30 | 0.30 |
| | Other Services | 0.37 | 0.50 |
| | TOTAL | <u>2.72</u> | <u>2.85</u> |

- 28 **CAPITAL COMMITMENTS:**
Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. NIL (Net of advances) (Previous Year Rs. NIL Lacs).
- 29 **CORPORATE SOCIAL RESPONSIBILITY :**
As per Section 135 of the Companies Act 2013, a corporate social responsibility (CSR) committee has been formed by the Company. However the Company is not obligated to spend any amount on corporate social responsibility.
- 30 **CONTINGENT LIABILITIES NOT PROVIDED FOR**
- i. Bills discounted with Banks Rs. 2714.27 Lacs (Previous Year Rs. 5180.64 lacs).
 - ii. Bank Guarantees of Rs. 463.62 Lacs (Previous Year Rs. 246.26 lacs) issued in favour of Custom, Central Excise & Other Government Authorities.
 - iii. **Disputed Statutory Dues :-**
 - a) The Income Tax Assessment of the Company have been completed up to Assessment Year 2016-2017, Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year 2017-2018 is Rs. 4.92 Lacs. (Previous Year Rs. 4.92 Lacs), for Assessment Year 2018-2019 is Rs. 4358.58 lacs.
 - b) Disputed Sales Tax liability for which appeal is pending before Sales Tax authorities relating to financial year from 2009-2010 & 2011-2012 Rs. 80.13 Lacs. (Previous Year Rs. 80.13 Lacs)
 - c) Disputed Goods & Service Tax Liabilities for which appeal is pending before different GST authorities relating to financial year 2017-2018 and 2018-2019 is Rs. 14.28 Lacs (Previous Year Rs. 5.00 Lacs)
- NOTE :** Based on the decision of the Appellate authorities and the interpretations of the other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

31 **SEGMENT INFORMATION**

- (i) **Business Segment:** The Company's business activity primarily falls within a single business segment i.e. Textile business and hence there are no disclosures to be made under Ind AS - 108, other than those already provided in the financial statements.
- (ii) **Geographical Segment:** The Company operates in multiple geographical area and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

| | | (Rs. In lakhs) | |
|---|-------------------|---------------------------------------|--|
| | | For the year Ended 31st March 2023 | For the year Ended 31st March, 2022 |
| Information for Geographical Segments: | | | |
| | Export Revenues | 18,801.83 | 36,239.06 |
| | Domestic Revenues | 19,393.50 | 17,582.55 |
| | TOTAL | <u>38,195.32</u> | <u>53,821.61</u> |

| | | (Rs. In lakhs) | |
|----|--|---------------------------------------|--|
| | | For the year Ended 31st March 2023 | For the year Ended 31st March, 2022 |
| 32 | BASIC AND DILUTED EARNING PER SHARE (EPS) | | |
| | Basic And Diluted Earning Per Share (Eps) Of The Face Value Of Rs. 5/- Each Is Calculated As Under:- | 303.45 | 619.36 |
| | Net profit as per Profit and Loss Account available for Equity Share Holder (In Rs.) | 1,24,99,700 | 1,24,99,700 |
| | Weighted average number of Equity Shares for Basis Earning Per Share | 2.43 | 4.96 |
| | Basis / Diluted Earning Per Share (Weighted Average) - in Rs. | | (Rs. In lakhs) |

| | | (Rs. In lakhs) | |
|----|--------------------------------------|---------------------------------------|--|
| | | For the year Ended 31st March 2023 | For the year Ended 31st March, 2022 |
| 33 | DIRECTORS REMUNERATIONS | | |
| | Salary | 123.09 | 123.71 |
| | Other Perquisites | 1.20 | 1.20 |
| | Directors Sitting fees | 2.06 | 2.01 |
| | TOTAL DIRECTORS REMUNERATIONS | <u>126.35</u> | <u>126.91</u> |



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS as at and for the Year ended 31st March 2023

34 RELATED PARTIES WITH WHOM TRANSACTION HAVE TAKEN PLACE DURING THE YEAR

a) Key Management personnel's

| | |
|----------------------------|---------------------------|
| Shri Sushil Patwari | : Chairman |
| Shri Sunil Patwari | : Managing Director |
| Shri Mahendra Patwari | : Whole Time Director |
| Shri Debrata Das Choudhary | : Whole Time Director |
| Shri Manoj Agarwal | : Chief Financial Officer |
| Smt. Akansha Agarwal | : Company Secretary |

Relatives of Key Management Personnel's & Others :

Patwari Properties
Smt. Anita Patwari
Shri Pratyush Patwari
Shri Aditya Patwari
Smt. Alpana Agarwal

Enterprises Owned/Influenced by Key Management Personnel or their relative :
Nagreeka Capital & Infrastructure Ltd.



NAGREEKA EXPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS as at and for the Year ended 31st March 2023

b) Aggregated Related Party disclosure as at and for the year ended 31st March 2023 (Rs. In lakhs)

| Type of Transaction | Key Management personnel's | | Relatives of Key Management | | Total. | |
|---|----------------------------|---------|-----------------------------|---------|---------|---------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| 1 Rent: | | | | | | |
| Shri Sunil Patwari | 0.60 | 0.60 | - | - | 0.60 | 0.60 |
| Shri Mahendra Patwari | 0.60 | 0.60 | - | - | 0.60 | 0.60 |
| Patwari Properties | - | - | 1.20 | 1.20 | 1.20 | 1.20 |
| Smt. Anita Patwari | - | - | 0.60 | 0.60 | 0.60 | 0.60 |
| 2 Remuneration: | | | | | | |
| Shri Sushil Patwari | 36.00 | 36.00 | - | - | 36.00 | 36.00 |
| Shri Sunil Patwari | 36.00 | 36.00 | - | - | 36.00 | 36.00 |
| Shri Mahendra Patwari | 36.00 | 35.05 | - | - | 36.00 | 35.05 |
| Shri Debrata Das Choudhary | 15.09 | 19.61 | - | - | 15.09 | 19.61 |
| Shri Kedar Nath Bansal | - | 2.42 | - | - | - | 2.42 |
| Shri Manoj Agarwal | 18.00 | 10.74 | - | - | 18.00 | 10.74 |
| Ms. Akansha Agarwal | 7.79 | 7.77 | - | - | 7.79 | 7.77 |
| Shri Pratyush Patwari | - | - | 30.00 | 30.00 | 30.00 | 30.00 |
| Shri Aditya Patwari | - | - | 6.00 | 6.00 | 6.00 | 6.00 |
| Smt. Alpana Agarwal | - | - | 3.00 | 1.79 | 3.00 | 1.79 |
| 3 Deposit/Loans & Advances (Assets): | | | | | | |
| Shri Sunil Patwari | 51.00 | 51.00 | - | - | 51.00 | 51.00 |
| Shri Mahendra Patwari | 125.00 | 125.00 | - | - | 125.00 | 125.00 |

During the year company has not given any loans to Promoters / Directors / KMP or related party

35 FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.6 to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

| | (Rs. In lakhs) | |
|---|------------------|---------------|
| | Amortised cost | FVTOCI |
| Assets: | | |
| Trade receivables | 2,164.60 | - |
| Investments | - | 918.31 |
| Bank balance other than Cash and cash equivalents | 84.99 | - |
| Loans & Advances | 314.58 | - |
| Cash and cash equivalents | 106.73 | - |
| Other financial assets | 118.41 | - |
| Total | 2,789.32 | 918.31 |
| Liabilities: | | |
| Borrowings | 18,047.63 | - |
| Other financial Liabilities | 857.14 | - |
| Trade payables | 482.21 | - |
| Total | 19,386.98 | - |



Notes forming parts of Financial Statements for the Year ended 31st March 2023

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(Rs. In lakhs)

| | Amortised cost | FVTOCI |
|---|------------------|-----------------|
| Assets: | | |
| Trade receivables | 1,781.70 | - |
| Investments | - | 1,096.00 |
| Bank balance other than Cash and cash equivalents | 212.54 | - |
| Loans & Advances | 292.04 | - |
| Cash and cash equivalents | 84.70 | - |
| Other financial assets | 96.29 | - |
| Total | 2,467.28 | 1,096.00 |
| Liabilities: | | |
| Borrowings | 19,059.90 | - |
| Other financial Liabilities | 994.52 | - |
| Trade payables | 1,135.70 | - |
| Total | 21,190.12 | - |

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required).

| | (Rs. In lakhs) | | |
|-------------------------------|----------------|----------|---------------|
| | Level 1 | Level 2 | Level 3 |
| As at March 31, 2023 | | | |
| Financial Assets: | | | |
| Investments | 501.27 | - | 417.04 |
| Total | 501.27 | - | 417.04 |
| Financial Liabilities: | | | |
| | - | - | - |
| Total | - | - | - |
| As at March 31, 2022 | | | |
| Financial Assets: | | | |
| Investments | 678.96 | - | 417.04 |
| Total | 678.96 | - | 417.04 |
| Financial Liabilities: | | | |
| | - | - | - |
| Total | - | - | - |

Notes:

i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

ii) Unquoted investments are stated at amortized cost which is approximately equal to their fair value.

iii) There have been no transfers between level 1 and level 2 for the years ended March 31, 2023 and 2022.

36 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(Rs. In lakhs)

| Particulars | For the FY Ended | For the FY Ended 31st |
|--------------------------------|------------------|-----------------------|
| | 31st March, 2023 | March, 2022 |
| | (Rs) | (Rs) |
| Total debt | 18,047.63 | 19,059.90 |
| Less : Cash & Cash Equivalents | 106.73 | 84.70 |
| Net Total Debt | 17,940.90 | 18,975.20 |
| Equity | 11,105.05 | 10,912.09 |
| Capital & Net Debt | 29,045.95 | 29,887.29 |
| Gearing ratio | 62.13% | 63.77% |



Notes forming parts of Financial Statements for the Year ended 31st March 2023

37 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company has exposure to the following risks from financial instruments.

- i) Market Risk
- ii) Liquidity Risk
- iii) Credit Risk

Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates & prices such as interest rates, foreign currency exchange rates or in the price of market risk-sensitive financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus the company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Interest Rate Risk :

Interest rate risk refers that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objective of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movement on its earning and cash flows and to minimise counter party risks.

The Following table demonstrate the gross value of variable rate borrowings and its sensitivity to a reasonably possible change in the interest rate on the portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

| | Variable rate borrowings (Rs.in lakhs) | Increase / (Decrease) in basis points | Effect on profit before tax | Effect on Post-tax equity |
|-------------------------|---|---------------------------------------|-----------------------------|---------------------------|
| 31st March, 2023 | 1,071.32 | | | |
| Amount in Rs. | | +100 | 10.71 | 7.73 |
| Amount in Rs. | | -100 | -10.71 | -7.73 |
| 31st March, 2022 | 1,362.14 | | | |
| Amount in Rs. | | +100 | 13.62 | 9.92 |
| Amount in Rs. | | -100 | -13.62 | -9.92 |

a) Currency Risk:

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which Export sales, Import purchase, other expenses and borrowings in foreign currency are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are Euro and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of its forecast sales over the following 12 to 18 months. The company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The Company as per its risk management policy uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.

| Particulars | USD | EURO |
|---|----------|----------|
| Foreign currency exposure As at 31st March, 2023 | | |
| Trade Receivables | 3,36,558 | 2,41,514 |
| Foreign currency exposure As at 31st March, 2022 | | |
| Trade Receivables | 6,48,467 | 5,314 |

Following is the financial instruments to hedge the foreign exchange rate risk As at 31st March, 2023

| Particulars | Instrument | Currency | Cross Currency | Amount (In FC) | Buy / Sell |
|---|-------------------|----------|----------------|----------------|------------|
| Highly Probable Hedges on Forecasted Sales Transactions | Forward Contracts | USD | INR | 1,28,68,101 | Sell |
| Highly Probable Hedges on Forecasted Sales Transactions | Forward Contracts | EURO | USD | 14,50,403 | Sell |
| Highly Probable Hedges on Forecasted Sales Transactions | Forward Contracts | EURO | INR | 1,52,003 | Sell |

Following is the financial instruments to hedge the foreign exchange rate risk As at 31st March, 2022

| Particulars | Instrument | Currency | Cross Currency | Amount (In FC) | Buy / Sell |
|---|-------------------|----------|----------------|----------------|------------|
| Highly Probable Hedges on Forecasted Sales Transactions | Forward Contracts | USD | INR | 1,50,73,924.20 | Sell |
| Highly Probable Hedges on Forecasted Sales Transactions | Forward Contracts | EURO | USD | 10,00,000.00 | Sell |
| Highly Probable Hedges on Forecasted Sales Transactions | Forward Contracts | EURO | INR | 7,00,000.00 | Sell |

Liquidity risk:

Liquidity risk is the risks that Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The company has obtained fund and non-fund based working capital loans from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.



Notes forming parts of Financial Statements for the Year ended 31st March 2023

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| (Rs. in lakhs) | | | | | |
|-----------------------------|-----------|------------------|-----------|-------------------|-----------|
| As at 31st March, 2023 | | | | | |
| Particulars | On Demand | Less than 1 Year | 2-5 Years | More than 5 Years | Total |
| Borrowings | 1,220.10 | 12,256.00 | 4,167.56 | 403.97 | 18,047.63 |
| Trade Payable | - | 433.58 | 48.63 | - | 482.21 |
| Other Financial Liabilities | - | 857.14 | - | - | 857.14 |

| (Rs. in lakhs) | | | | | |
|-----------------------------|-----------|------------------|-----------|-------------------|-----------|
| As at 31st March, 2022 | | | | | |
| Particulars | On Demand | Less than 1 Year | 2-5 Years | More than 5 Years | Total |
| Borrowings | 1,120.10 | 14,267.30 | 3,422.51 | 250.00 | 19,059.90 |
| Trade Payable | - | 966.76 | 168.94 | - | 1,135.70 |
| Other Financial Liabilities | - | 994.52 | - | - | 994.52 |

CREDIT RISK:

Credit risk is the of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

Trade & Other receivables:

In case of sales, for major part of the sales, customer credit risk is managed by requiring domestic and export customers to open Letters of Credit before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk where credit is extended to customers.

The ageing of trade and other receivables that were not impaired is as below.

| (Rs. in lakhs) | |
|-------------------------------|-----------------|
| Particulars | |
| As at 31st March, 2023 | |
| Upto 6 Months | 2,098.64 |
| Beyond 6 Months | 65.96 |
| Total | 2,164.60 |
| Particulars | |
| As at 31st March, 2022 | |
| Upto 6 Months | 1,721.41 |
| Beyond 6 Months | 60.29 |
| Total | 1,781.70 |

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full based on historical payment behaviour.

Loans to Others:

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and is considered to be good.

Investment in mutual funds:

The investment in mutual funds, are entered into with credit worthy fund houses. The credit worthiness of these counter parties are evaluated by the management on an on-going basis and is considered to be good. The Company does not expect any losses from these counter parties.

Cash and Cash equivalents:

Credit risk from balances with banks is managed by the Company in accordance with the company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and within approved credit ratings.

Unquoted investments:

The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.



NAGREEKA EXPORTS LIMITED

Notes forming parts of Financial Statements for the Year ended 31st March 2023

38 Advances, Trade Payable and Trade Receivables are subject to confirmation from respective parties and consequential reconciliation / adjustment arising there from, if any. The management, however, does not expect any material variation. Provisions, wherever considered necessary, have been made.

| | | (Rs. in Lakhs) | |
|----|---------------------------------------|---|---|
| | | For the Year Ended on 31st March 2023 | For the Year Ended on 31st March 2022 |
| 39 | CIF VALUE OF IMPORTS DURING THE YEAR: | | |
| | Components and Spare Parts | 19.14 | 26.23 |
| | Capital Goods | 3.88 | 18.66 |
| | | 23.02 | 44.89 |

| | | (Rs. in Lakhs) | |
|----|--|---|---|
| | | For the Year Ended on 31st March 2023 | For the Year Ended on 31st March 2022 |
| 40 | EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS): | | |
| | Commission Expenses | 71.36 | 174.56 |
| | Ocean Freight | 989.94 | 2,014.07 |
| | Travelling | 37.66 | 16.67 |
| | Others | 26.04 | 17.53 |
| | | 1,125.00 | 2,222.83 |

| | | (Rs. in Lakhs) | | | |
|--|--|---------------------------------------|----------------|---------------------------------------|----------------|
| | VALUE OF RAW MATERIALS AND COMPONENTS, STORES AND SPARES CONSUMED DURING THE PERIOD (INCLUDING CHARGED TO REPAIRS AND MAINTENANCE) | For the Year Ended on 31st March 2023 | | For the Year Ended on 31st March 2022 | |
| | | % | (Rs. in lakhs) | % | (Rs. in lakhs) |
| | Raw Materials # | | | | |
| | Imported | 0.00% | | 0.00% | |
| | Indigenously | 100.00% | 19,743.31 | 100.00% | 22,655.49 |
| | | | 19,743.31 | | 22,655.49 |
| | Stores and Spares ## | | | | |
| | Imported | 1.88% | 19.14 | 2.23% | 26.23 |
| | Indigenously | 98.12% | 997.50 | 97.77% | 1,150.11 |
| | | | 1,016.63 | | 1,176.34 |

Net of cost of raw material sold.

Including Stores and Spares included under Repairs and Maintenance.

| | | For the Year Ended on 31st March 2023 | For the Year Ended on 31st March 2022 |
|--|---|---|---|
| | EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS): | (Rs. in lakhs) | (Rs. in lakhs) |
| | FOB Value of Exports | 17,811.89 | 34,224.99 |
| | | 17,811.89 | 34,224.99 |

43 Assets pledged as security:

The carrying amounts of assets pledged as security for current and non current borrowings are:

| PARTICULARS | Notes | (Rs. in lakhs) | |
|---|-------|------------------------|------------------------|
| | | As at 31st March 23 | As at 31st March 22 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, plant and equipment | 3 | 10,389.72 | 11,055.02 |
| Total Non-Current Assets pledged as security | | 10,389.72 | 11,055.02 |
| Current Assets | | | |
| (a) Inventories | 9 | 12,326.71 | 11,489.37 |
| (b) Financial assets: | | | |
| (i) Trade receivables | 10 | 2,164.60 | 1,781.70 |
| Total Current Assets pledged as security | | 14,491.31 | 13,271.07 |
| Total Assets pledged as security | | 24,881.03 | 24,326.09 |

44 DETAILS OF LOANS AND GUARANTEES GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:

The Company has made investments in the shares of different companies and given loans and advances to different parties which are general in nature. The loans given are interest bearing which are not lower than the prevailing yield of related government security close to the tenure of the respective loans. Further, the company has not given any guarantee or provided any security.

45 The Company does not have any Benami Property. Further there are no proceedings initiated or are pending against the Company for holding any Benami Property under the prohibition of Benami Property Transaction Act., 1988 and rules made there under.




Notes forming parts of Financial Statements for the Year ended 31st March 2023

- 46 The Company does not have transactions with any Struck off Company's during the year.
- 47 The Company has not traded or invested in Crypto Currency or virtual Currency during the financial year.
- 48 The Company has not advanced or loaned or invested funds to any other person(s) or entity(s) including foreign entities (intermediaries) with the understanding that the intermediaries shall:
- Directly or indirectly lend or invest in other persons or entities 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.
- 49 The Company has not received any fund from any person(s) or entity(s), including foreign entities (funding party) with understanding (whether recorded in writing or otherwise) that the Company will:
- 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.
- 50 The Company has not done 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
- 51 The Company has not been declared as a willful defaulter by any Bank of Financial Institution or Government or any Government Authority.
- 52 The Company has not filed any scheme of arrangements in terms of Section 230 to 237 of the Companies Act, 2013 with any competent Authority.
- 53 Statement of Financial Ratio's as per Schedule III Requirements has been separately enclosed.
- 54 The Previous Years Figures has been regrouped /rearranged whenever necessary to confirm to the current year presentation.
- 55 The financial statements are approved by the audit committee at its meeting held on 30th May, 2023 and by the Board of Directors on 30th May, 2023.


As per our separate report attached of even date

For and on Behalf of the Board of Directors

For B Nath & Co.
Chartered Accountants
Firm Regn No.:307057E


Sushil Patwari
DIN:00023980
Chairman


Sunil Ishwarlal Patwari
DIN:00024007
Managing Director


CA Gaurav More
Partner
M.No:306466
Place:Kolkata
Date:May 30,2023




Manoj Agarwal
Chief Financial Officer


Akansha Agarwal
Mem No.: A61906
Company Secretary

53. Statement of Financial Ratio's as per Schedule III Requirements

| Sl. No. | Particulars | Details of numerator and denominator used in calculation of Financial Ratio's | Rs. in lakh FY 2022-23 | Rs. in lakh FY 2021-22 | Financial Ratio FY 2022-23 | Financial Ratio FY 2021-22 | Variance | Management explanation in cases where difference in ratio is more than 25% over previous year |
|---------|---|---|------------------------|------------------------|----------------------------|----------------------------|----------|---|
| 1 | Current Ratio (in times) | Current Asset | 21,126.18 | 21,910.26 | 1.41 | 1.25 | 13.19% | Not Applicable |
| | | Current Liability | 14,949.93 | 17,549.52 | | | | |
| 2 | Debt-Equity Ratio (in times) | Debt (Total Debt) | 18,047.63 | 19,059.90 | 1.63 | 1.75 | -6.96% | Not Applicable |
| | | Equity | 11,105.05 | 10,912.09 | | | | |
| 3 | Debt Service Coverage Ratio (in times) | PAT+Finance Cost+Depreciation - Liability written back | 1,836.04 | 2,873.74 | 0.80 | 1.01 | -21.15% | Due to decrease in profit as compared to last year. |
| | | Interest payment as per cash flow+Long term loan paid as per cash flow | 2,308.80 | 2,849.34 | | | | |
| 4 | Return on Equity Ratio (in %) | Earning available for equity shareholders (EAFESH) | 303.45 | 619.36 | 2.73% | 5.68% | -2.94% | Not Applicable |
| | | Equity share capital+Reserve and surplus | 11,105.05 | 10,912.09 | | | | |
| 5 | Inventory Turnover Ratio (in times) | Sales (Revenue from Operation) | 38,851.25 | 55,178.83 | 3.26 | 5.32 | -38.72% | Due to decrease in sales compared to last year. |
| | | Average Inventory [(Opening Inventory+Closing Inventory)/2] | 11,908.04 | 10,364.74 | | | | |
| 6 | Trade Receivables Turnover Ratio (in times) | Credit Sales | 38,851.25 | 55,178.83 | 19.69 | 27.53 | -28.47% | Due to decrease in sales compared to last year. |
| | | Average Debtors+Bills Receivables | 1,973.15 | 2,004.46 | | | | |
| 7 | Trade Payables Turnover Ratio (in time) | Credit Purchases | 9,165.49 | 19,950.04 | 11.33 | 17.83 | -36.45% | Due to decrease in Credit Purchase and average creditors compared to last year. |
| | | Average Creditors+Bills Payables (Trade Payable) | 808.96 | 1,118.92 | | | | |
| 8 | Net Capital Turnover Ratio (in times) | Total Sales (Revenue from Operation) | 38,851.25 | 55,178.83 | 3.50 | 5.06 | -30.81% | Due to increase in sales and profit as compared to last year. |
| | | Shareholders Fund(Equity share capital+Reserve and surplus) | 11,105.05 | 10,912.09 | | | | |
| 9 | Net Profit Ratio (in %) | Net Profit (Net Profit after Tax) | 303.45 | 619.36 | 0.78% | 1.12% | -0.34% | Not Applicable |
| | | Sales (Revenue from Operation) | 38,851.25 | 55,178.83 | | | | |
| 10 | Return on Capital Employed (in %) | Earnings before Interest and Tax | 1,111.44 | 2,169.93 | 3.81% | 7.24% | -3.43% | Not Applicable |
| | | Equity share capital + Reserve and surplus + total debts | 29,152.69 | 29,971.99 | | | | |
| 11 | Return on Investment (in %) | Earning available for equity shareholders (EAFESH) | 303.45 | 619.36 | 2.73% | 5.68% | -2.94% | Not Applicable |
| | | Shareholders Fund(Equity share capital+Reserve and surplus) | 11,105.05 | 10,912.09 | | | | |



MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer, to our knowledge, non circumstances have arisen since March 31, 2023, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

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ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information. For details see “Financial Statements” on page 70.

Accounting Ratios

| Particulars | Based on Unaudited Financial Results | | Based on Audited Financial Statements | |
|--------------------------------------|--|--|---|---|
| | For the six month period ended September 30, 2023 [#] | For the six month period ended September 30, 2022 [#] | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 |
| Basic earnings per share (₹) | 2.69 | (2.90) | 2.43 | 4.96 |
| Diluted earnings per share (₹) | 2.69 | (2.90) | 2.43 | 4.96 |
| Return on Net Worth (%) [*] | 2.94% | (3.50%) | 2.73% | 5.68% |
| Net Asset Value per Equity Share (₹) | 91.60 | 82.70 | 88.84 | 87.30 |
| EBITDA (₹ in lakhs) | 1,409.62 | 405.08 | 1,842.46 | 2,898.59 |

#unaudited subject to limited review

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

| | |
|--|--|
| 1 Basic Earning per share | Net Profit / No of Shares |
| 2 Diluted earnings per share | Net Profit after Other comprehensive income / No of shares |
| 3 Return on Networth | Networth / Net Profit |
| 4 Net Asset Value per Equity Share (₹) | Networth / No of Equity Shares |
| 5 EBITDA (₹) | Earning before Interest, Tax, Depreciation |

Calculation of Return of Net Worth

(In ₹ lakhs, unless otherwise specified)

| Particulars | For the six month period ended September 30, 2023 [#] | For the six month period ended September 30, 2022 [#] | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--|--|-----------------------------------|-----------------------------------|
| Net Profit/ (Loss) after Tax (before OCI) (A) | 336.72 | (362.20) | 303.45 | 619.36 |
| Net Worth (B) | 11,449.70 | 10,337.15 | 11,105.05 | 10,912.09 |
| Return of Net Worth (A/B) (%) ^ | 2.94% | (3.50%) | 2.73% | 5.68% |

#unaudited subject to limited review

Calculation of Net asset value per Equity Share

(In ₹ lakhs, unless otherwise specified)

| Particulars | As at September 30, 2023 [#] | As at September 30, 2022 [#] | As at March 31, 2023 | As at March 31, 2022 |
|---|---------------------------------------|---------------------------------------|----------------------|----------------------|
| Net Worth (A) (₹ in lakh) | 11,449.47 | 10,337.159 | 11,105.05 | 10,912.09 |
| No. of Shares (B) [*] (in numbers) | 1,24,99,700 | 1,24,99,700 | 1,24,99,700 | 1,24,99,700 |
| Net Assets Value [(A x 100,000) / B] | 91.60 | 82.70 | 88.84 | 87.30 |

#unaudited subject to limited review

Calculation of EBITDA*(In ₹ lakhs, unless otherwise specified)*

| Particulars | For the six month period ended September 30, 2023[#] | For the six month period ended September 30, 2022[#] | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-------------------------------|--|--|--|--|
| Net Profit / (Loss) after Tax | 336.72 | (362.20) | 303.45 | 619.36 |
| Add: Taxes | 14.77 | (101.00) | -263.33 | 188.43 |
| Add: Interest | 690.51 | 500.27 | 1,071.32 | 1,362.14 |
| Add: Depreciation | 367.62 | 368.01 | 731.02 | 728.66 |
| Less: Exception Item | 0 | 0 | 0.00 | 0.00 |
| EBITDA | 1,409.62 | 405.08 | 1,842.46 | 2,898.59 |

#unaudited subject to limited review

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 70.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 16 and 13, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards like IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, (i) the financial information for Financial Year 2023 included herein is based on the Audited Financial Statements and (ii) Unaudited Financial Results of our Company for the six-month period September 30, 2023 included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 70.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Industry Outlook – Textile Outlook of India – Outlook and Challenges" dated May 30, 2023, prepared by Infomeric's Valuation and Rating Private Limited. Certain data in this Letter of Offer is based on reports prepared by third party sources and management estimates. Neither we, nor the Lead Manager, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and Other Information – Market and Industry Data" beginning on page 11.

OVERVIEW OF OUR BUSINESS

We are a part of the Nagreeka Group, incorporated in 1953 and founded by late Shri I. L. Patwari and his family. Incorporated in 1989, our Company is presently engaged in the business of manufacturing and trading of cotton yarn and speciality yarn ranging from 6s to 80s (single/multiple yarn) and fabrics. Our spinning unit is located at Kolhapur district of Maharashtra. At present, our Company has an installed capacity of 55,440 spindles in Ring Spinning. The manufacturing facility also houses the state-of-the-art Reiter, LMW and other machines to manufacture speciality yarn of various counts, we also have Uster & other equipment in the quality lab to ensure that there is the monitoring of each stage of the production process so that there are enough data points for continuous improvement of the products.

Our Company manufactures and Trades wide range of products like, Ring yarn, Compact yarn, TFO yarn, Open End yarn, Gassed yarn, Mercerised yarn, Slub yarn, Multi Count yarn, Melange yarn, Dyed Yarn, High Twist yarn, Core Spun yarn and Elitwist yarn. We have also set up textile processing plant at Kagal Kolhapur district of Maharashtra. Our products are tailor-made to cater specific customer needs and we sell our products in domestic as well as international markets. Exports accounted for 60.80%, 49.23% and 67.33% of Revenue from Operations for the six month period ended September 30, 2023 and for Fiscals 2023 and 2022 respectively. The export sales on this scale are possible due to our global distribution network. As on September 30, 2023, we have marketing team and established marketing network of agent across India and in about 40 countries across the globe. We believe that such a global distribution network is instrumental in an effective supply-chain management as well minimizes risks that may emanate from any geographical concentration.

Our Promoters have a cumulative experience of over 116 years in the textile industry. Our Managing Director Sunil Ishwarlal Patwari has been on the Board of our Company since 1989 and has more than 4 decades of industrial experience in textile industry. Also, our Whole Time Director Mahendra Ishwarlal Patwari has been on the Board of our Company since 2004 and has rich experience in the textile industry.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 16. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Factors affecting the textile industry;
- Increasing competition in the industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS / OTHER OBSERVATIONS IN CARO

Except as disclosed below, there are no qualifications/ reservation /emphasis of matters/ adverse remarks / other observations in Companies Auditor's Report Order (CARO), 2016, (as applicable) during the six month period ended September 30, 2023 and for the Fiscal ended March 31, 2023:

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Income

Our Income comprises of:

Revenue from operations

Revenue from operations comprises of revenue from sale of products and revenue from other operating revenue. Revenue from sale of products comprises of revenue from sale of finished goods which includes the dyed yarn, cotton yarn, knitted fabric, bleached cotton, fine cotton and waste and revenue from traded goods which includes cotton yarn, knitted fabric, Silico Manganese, Fero Manganese and others. Other operating revenue includes revenue from scrap sales, job work charges, export incentive and exchange rate difference

Other Income

Other income primarily comprises of dividend from long term investments and other non -operating income.

Our expenses primarily comprise cost of material consumed, purchase of stock in trade, changes in inventories of finished goods and work in progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed

The cost of material consumed comprises of primary raw materials that is raw cotton, cotton yarn, and combernoil.

Purchase of traded goods

The purchase of traded goods comprises of purchase of cotton yarn, silico manganese, ferro manganese and others.

Changes in inventories of Finished Goods, Stock in Process, and stock in trade.

Changes in inventories of Finished Goods, Stock in Trade, and Work in progress comprises difference in closing balance *vis-a-vis* opening balance of Finished Goods, Stock in Trade and Work in progress and waste.

Employee benefit expenses

Employee benefit expenses consist of salaries and wages, contribution to provident & other funds, and staff welfare expenses and gratuity expenses.

Finance cost

Finance cost comprises interest expense and other borrowing cost.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on land and site development, land (lease hold), office premises, factory building, godown, plant and machinery, furniture and fixtures, air conditioner, vehicles, computer, office equipments, non-factory building, refrigerator and old machine in hand

Other expenses

Other expenses comprise of manufacturing expenses, selling and distribution expenses and establishment and other expenses. Manufacturing expenses primarily consist of consumption of stores, spares and packing material, power and fuel, processing charges, repair and maintenance of buildings and repair and maintenance of machinery. Selling and distribution expenses consist of outward freight, other selling expenses and commission on sale. Establishment and other expenses consist of rent, rates and taxes, communication charges, travelling and conveyance, insurance, expenses towards CSR activities, loss on sale of fixed assets and miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

Period ended March 31, 2023 compared to period ended March 31, 2022

| <i>(₹ in lakhs)</i> | | | | | |
|---------------------|--|--------------------|--------------------------|--------------------|--------------------------|
| | Particulars | Fiscal 2023 | % of total income | Fiscal 2022 | % of total income |
| 1. | Income | | | | |
| | Revenue from operations | 38,851.25 | 99.42 | 55,178.83 | 99.84 |
| | Other Income | 227.87 | 0.58 | 85.68 | 0.16 |
| | Total income | 39,079.12 | 100.00 | 55,264.51 | 100.00 |
| 2. | Expenses | | | | |
| | Cost of materials consumed | 19,743.31 | 50.52 | 22,655.49 | 40.99 |
| | Purchase of traded goods | 9,165.49 | 23.45 | 19,950.04 | 36.10 |
| | Changes in inventories of finished goods, stock in progress and stock in trade | 144.15 | 0.37 | (907.22) | -1.64 |
| | Employee benefits expense | 2,461.20 | 6.30 | 2,817.21 | 5.10 |
| | Finance Costs | 1,071.32 | 2.74 | 1,362.14 | 2.46 |
| | Depreciation and Amortisation | 731.02 | 1.87 | 728.66 | 1.32 |
| | Other Expenses | 5,722.51 | 14.64 | 7,850.40 | 14.21 |
| | Total expenses | 39,039.00 | 99.90 | 54,456.72 | 98.54 |
| 3. | Profit/(Loss) before exceptional items and tax | 40.12 | 0.10 | 807.79 | 1.46 |
| 4. | Exceptional item | - | | - | |
| 5. | Profit and Loss before tax | 40.12 | 0.10 | 807.79 | 1.46 |
| 6. | Tax Expenses | | | | |
| | -Current Tax | 6.42 | 0.02 | 24.85 | 0.04 |
| | -Deferred Tax Liability/ (Assets) | (263.33) | -0.67 | 188.43 | 0.34 |
| | -MAT Credit Entitlement/ (Reversed) | (6.42) | -0.02 | (24.85) | -0.04 |
| | - Taxes for earlier years (Excess)/short | - | - | - | - |
| | Total Tax Expenses | (263.33) | 0.67 | 188.43 | 0.34 |
| 7. | Profit and loss for the year | 303.45 | 0.78 | 619.36 | 1.12 |

Total Income

Our total income decreased by 29.29% to ₹ 39,079.12 lakhs for the Fiscal 2023 from ₹ 55,264.51 lakh for the Fiscal 2022. The changes are due to following reasons:

Revenue from operations

Our revenue from operations decreased by 29.59% to ₹ 38,851.25 lakh for the Fiscal 2023 from ₹ 55,178.83 lakh for the Fiscal 2022 due to global recession. Our most of the overseas customers have deferred their orders during this period. In addition to that prices of raw material were on the peak hence there was de-stocking by the customers. and customers has kept their orders on hold in anticipation of reduction in prices.

Other income

Our other income increased by 165.95% to ₹ 227.87 lakh for the Fiscal 2023 from ₹ 85.68 lakh for the Fiscal 2022 primarily due to increase in the Dividend income and written off of certain liabilities which are not payable.

Expenses

Our total expenses decreased by 28.31% to ₹ 39,039.00 lakh for the Fiscal 2023 from ₹ 54,456.72 lakh for the Fiscal 2022, due to following reasons:

Purchase of Traded Goods

Our purchase of traded goods decreased by 54.06% to ₹ 9,165.49 lakh for the Fiscal 2023 from ₹ 19,950.04 lakh for the Fiscal 2022, primarily due to decrease in quantity of the traded goods due to global recession and also due to settling of prices gradually on lower side.

Changes in inventories of finished goods, stock in process and stock in trade

Our change in inventories of finished goods, stock in process and stock in trade stood at ₹144.15 lakhs for the Fiscal 2023 as compared to ₹(907.22) lakh for the Fiscal 2022, primarily due to decrease in quantity due to global recession and also due to settling of prices gradually on lower side.

Employee benefit expense

Our employees benefit expense marginally decreased by 12.64% to ₹ 2,461.20 lakh for the Fiscal 2023 from ₹ 2,817.21 lakh for the Fiscal 2022, primarily due to lower capacity utilisation on account of global recession coupled with raw material prices on peak.

Finance cost

Our finance cost decreased by 21.35% to ₹ 1,071.32 lakh for the Fiscal 2023 from ₹ 1,362.14 lakh for the Fiscal 2022 due to lower utilisation of working capital facilities due to reduction in sales

Depreciation and amortisation expense

Our depreciation and amortisation expenses marginally increased by 0.32 % to ₹731.02 lakh for the fiscal 2023 from ₹728.66lakh for Fiscal 2022.

Other Expenses

Our other expenses decreased by 27.11% to ₹ 5,722.51 lakh for the Fiscal 2023 from ₹7,850.40 lakh for Fiscal 2022, primarily due to [reduction in sales volume by about 30% and also substantial reduction in overseas freight.

Profit/(Loss) for the period

Our profit for the Fiscal 2023 stood at ₹ 303.45 lakh as compared to ₹ 619.36 lakh for the Fiscal 2022 due to the abovementioned reasons.

Six months period ended September 30, 2023

(₹ in lakhs)

| | Particulars | Six-month period ended September 30, 2023 | % of total income |
|-----------|--|---|-------------------|
| 1. | Income | | |
| | Revenue from operations | 26,781.97 | 99.79 |
| | Other Income | 57.38 | 0.21 |
| | Total income | 26,839.35 | 100.00 |
| 2. | Expenses | | |
| | Cost of materials consumed | 12,360.61 | 46.05 |
| | Purchase of traded goods | 9,493.67 | 35.37 |
| | Changes in inventories of finished goods, stock in progress and stock in trade | -1,017.38 | -3.79 |
| | Employee benefits expense | 1,330.58 | 4.96 |
| | Finance Costs | 690.51 | 2.57 |
| | Depreciation and Amortisation | 367.62 | 1.37 |
| | Other Expenses | 3,262.25 | 12.15 |
| | Total expenses | 26,487.86 | 98.69 |
| 3. | Profit/(Loss) before exceptional items and tax | 351.49 | 1.31 |
| 4. | Exceptional item | - | |
| 5. | Profit and Loss before tax | 351.49 | 1.31 |
| 6. | Tax Expenses | | |
| | -Current Tax | 100.84 | 0.38 |
| | -Deferred Tax Liability/ (Assets) | -86.07 | -0.32 |
| | -MAT Credit Entitlement/ (Reversed) | - | - |
| | - Taxes for earlier years (Excess)/short | - | - |
| | Total Tax Expenses | 14.77 | 0.06 |
| 7. | Profit and loss for the year | 336.72 | 1.25 |

Total Income

Our total income was ₹ 26,839.35 lakhs for the six-month period ended September 30, 2023, comprising revenue from operations and other income.

Net Sales/ Income from Operation. Our net sales/ income from operation was ₹ 26,781.97 lakhs for the six-month period ended September 30, 2023 comprising of 99.79% of its total income.

Other income. Our other income was ₹ 57.38 lakhs for the six-month period ended September 30, 2023 comprising of 0.21% of its total income.

Expenditure:

Consumption of raw materials: Our consumption of raw materials was ₹ 12,360.61 lakhs for the six-month period ended September 30, 2023 comprising of 46.05% of its total income.

Purchase of traded goods: Our purchase of traded goods was ₹ 9,493.67 lakhs for the six-month period ended September 30, 2023 comprising of 35.37% of its total income

(Increase) or decrease in finished goods, stock in trade and work in progress: Our decrease in finished goods, stock in trade and work in progress was ₹ 1,017.38 lakhs for the six-month period ended September 30, 2023 comprising of (3.79%) of its total income.

Employee cost: Our employee cost was ₹ 1,330.58 lakhs for the six-month period ended September 30, 2023 comprising of 4.96% of its total income.

Finance Costs: Our finance cost was ₹ 690.51 lakhs for the six-month period ended September 30, 2023 comprising of 2.57% of its total income.

Depreciation and Amortisation: Our finance cost was ₹ 367.62 lakhs for the six-month period ended September 30, 2023 comprising of 1.37% of its total income.

Other Expenses: Our other expenses was ₹ 3,262.25 lakhs for the six-month period ended September 30, 2023 comprising of 12.15% of its total income.

Profit before tax. As a result of the foregoing, our profit before tax was ₹ 351.49 lakhs for the six-month period ended September 30, 2023.

Tax expenses. Our total tax expenses was ₹ 14.77 lakhs for the six-month period ended September 30, 2023.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and /or our Promoters; (ii) material violations of statutory regulations by our Company and /or our Promoters; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of the “Policy for Determination of Materiality of Events and Information” adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).

In this regard, please note the following:

1. Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer or the Abridged Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount equal to or exceeding 5 % of the total income of the Company as per the audited financial statements of the Company for the immediately preceding financial year (being ₹ 1,953.96 lakh that is 5% of ₹ 39,079.12 lakhs as on March 31, 2023) (“Materiality Threshold”), and / or (ii) is otherwise determined to be material in terms of the Materiality Policy.
2. Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigations involving our Company

A. Proceedings involving issues of moral turpitude or criminal liability

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

i. Criminal Litigations initiated against our Company

As on the date of this Letter of Offer, there are no criminal litigations initiated against our Company.

ii. Criminal Litigations initiated by our Company

As on the date of this Letter of Offer, there are no criminal litigations initiated by our Company.

B. Matters involving material violations of statutory regulations by our Company

As on the date of this Letter of Offer, there are no matters involving material violations of statutory regulations by our Company.

C. Economic offences where proceedings have been initiated against our Company

As on the date of this Letter of Offer, there are no economic offences where proceedings have been initiated against our Company.

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Civil Litigations initiated against our Company

As on the date of this Letter of Offer, there are no civil litigations where proceedings have been initiated against our Company.

Civil Litigations initiated by our Company

As on the date of this Letter of Offer, there are no civil litigations where proceedings have been initiated by our Company.

Tax Proceedings initiated against our Company

| Nature of the case | Number of cases | Total amount involved(in ₹ lakhs) |
|---------------------------|------------------------|--|
| Direct tax litigations | 2 | 4,363.50 |
| Indirect tax litigations | 4 | 94.41 |
| Total | 6 | 4,457.91 |

Litigations involving our Promoter(s)

A. Proceedings involving material violations of statutory regulations by the Promoters

SEBI vide its order dated August 25, 2023 (“**Order**”), has imposed penalty of ₹ 10.00 lakh on our Promoter Sushil Patwari in the matter of Rupa Company Limited (“**RCL**”). SEBI has alleged that our Promoter Mr. Sushil Patwari had traded in the securities of RCL during the period February 1, 2021 to June 30, 2021 on the basis of unpublished price sensitive information and in contravention of the provisions of the Securities and Exchange Board of India Act, 1992 read with the SEBI PIT Regulations. Our Promoter has challenged the Order before the Securities and Appellate Tribunal (“**SAT**”) after making payment of ₹ 10.00 lakh. The matter is currently pending before SAT.

GOVERNMENT AND OTHER APPROVALS

[Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“**Approvals**”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the stores and warehouses are located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses for repayment of borrowings availed in the form of unsecured loans from our Promoters, Sushil Patwari and Sunil Ishwarlal Patwari, redemption of outstanding cumulative non-convertible redeemable preference shares held by our Promoter, Sushil Patwari and for general corporate purposes, no government and regulatory approval pertaining to the Object of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on August 14, 2023, pursuant to Section 62 (1) (a) and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on August 14, 2023 has resolved to issue Equity Shares to the Eligible Equity Shareholders aggregating upto ₹4,000.00 lakh and in its meeting held on **January 17, 2024** decided to issue the Rights Equity Shares at an Issue Price of ₹ **20.00** per Equity Share (including a premium of ₹ **15.00** per Equity Share), in the ratio of **3** Rights Equity Shares for every **2** Equity Shares, as held on the Record Date. The Issue Price of ₹ **20.00** per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

This Letter of Offer has been approved by the Committee of Directors of our Board on **January 31, 2024**.

Our Company has received in-principle approvals from BSE and NSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to their letters dated January 10, 2024 and November 7, 2023 , respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circulars.

Our Company has been allotted the ISIN INE123B20010 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 135.

Prohibition by the SEBI

None of our Company, our Promoters, members of our Promoter Group and our Directors are 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 any other regulatory or governmental authority.

Neither our Promoters nor our Directors have been declared as Fugitive Economic Offenders.

Association of our Directors with the securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company, nor our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer 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. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

Applicability of the SEBI ICDR Regulations

The present Issue being of less than ₹5000 lakh , Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in.

Compliance with clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, to the extent applicable, in terms of the disclosures made in this Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- a) 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 Letter of Offer with the BSE and NSE;
- b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and NSE; and
- c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

As required, a copy of the Letter of Offer will be submitted to SEBI.

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, PRIME SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, PRIME SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 31, 2024 WHICH READS AS FOLLOWS:

- 1. [WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - a. THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - b. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c. THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID.- COMPLIED WITH
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOT APPLICABLE
5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. - NOT APPLICABLE, BEING A RIGHTS ISSUE.
6. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. - NOT APPLICABLE, BEING A RIGHTS ISSUE.
7. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE. - NOT APPLICABLE, BEING A RIGHTS ISSUE.
8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE

10. FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND

b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI. – COMPLIED WITH

11. WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. - NOTED FOR COMPLIANCE

12. IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. – NOT APPLICABLE, BEING A RIGHTS ISSUE.

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager, namely Prime Securities Limited, accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

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

Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, 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 this Issue. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in

the future receive, compensation.

Cautions

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell 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 Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This 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 this Issue is BSE.

Disclaimer Clause of BSE

BSE Limited (“the Exchange”) has given, vide its letter dated January 10, 2024 permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

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

And it should not for any reason be deemed or construed that this 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.

Disclaimer Clause of NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated November 7, 2023 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or

project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer 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 any other reason whatsoever

Selling Restrictions

The distribution of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this the Letter of Offer, Abridged Letter of Offer, Entitlement Letter or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form only to email addresses of such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form, shall not be sent the Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer /Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/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 Entitlement or Rights Equity Shares referred to in this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective

affiliates to make any filing or registration (other than in India).

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

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements 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 United States Securities Act, 1933, as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions 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 payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we 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 in respect of any such Application Form.

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

Filing

This Letter of Offer is being filed with the Stock Exchanges i.e. BSE and NSE as per the provisions of the SEBI ICDR Regulations, Further, in terms of SEBI ICDR Regulations, our Company shall file the copy of this Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number

SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the 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. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investor Grievances arising out of this Issue:

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. Maheshwari Datamatics Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

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, 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. For details on the ASBA process, please see “Terms of the Issue” on page 135.

Investors may contact the Registrar to the Issue at:

Maheshwari Datamatics Private Limited

23, R N Mukherjee Road, 5th Floor,

Kolkata – 700 001, West Bengal, India

Telephone: +91 33-2248-2248/2243-5029

E-mail: mdpldc@yahoo.com

Investor grievance E-mail: mdpldc@yahoo.com

Website: www.mdpl.in

Contact Person: Ravi Kumar Bahl

SEBI Registration No.: INR000000353

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

The contact details of the Company Secretary are as follows:

Company Secretary and Compliance Officer:

Jyoti Sinha Banerjee

18, R.N. Mukherjee Road,

Third floor, Kolkata – 700001

West Bengal, India
Telephone: +9133-22108827
E-mail: rinagreeka@nagreeka.com

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

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 Letter of Offer, the Abridged Letter of Offer, the 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.

1. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible 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 India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and 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 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 access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

1. our Company at www.nagreeka.com;
2. the Registrar at www.mdpl.in
3. the Lead Manager at www.primesec.com
4. the Stock Exchange at www.bseindia.com; and www.nseindia.com.
5. the Registrar’s web-based application platform at www.mdpl.in

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.mdpl.in) 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.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Our

Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form attributable to the 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 transit.

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations and the SEBI ICDR Master Circular , all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please see “*Procedure for Application through the ASBA Process*” on page 145.

ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in their respective ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please see “*Procedure for Application through the ASBA Process*” on page 145.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “*Terms of the Issue - Grounds for Technical Rejection*” on page 153. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 147.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the ASBA Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the

Equity Shares currently under dispute, including any court proceedings; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copy of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. Friday, February 23, 2024, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

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

4. Other important links and helpline:

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

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

Renounees

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

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialised form or appears in the register of members of our Company as an equity shareholder in respect of our Equity Shares held in physical form, as on the Record Date, are entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

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

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two

Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.mdpl.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited in their demat accounts.

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 applicable Issue material (“Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement. In case such 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 such 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. For further details, see “Notice to Investors” on page 9.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 5.

Issue Price

The Rights Equity Shares are being offered at a price of ₹ 20.00 per Rights Equity Share (including a premium of ₹ 15.00 per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager 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 **3** Rights Equity Shares for every **2** fully paid-up Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

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 Rule 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. For details, please see “*Procedure for Renunciation of Rights Entitlements*” on page 146.

Credit of Rights Entitlements in dematerialised account

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 dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar

on the Record Date; or (d) 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 the Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; (f) the ownership of the Equity Shares currently under dispute, including any court proceedings;.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by February 23, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (*i.e.*, Maheshwari Datamatics Pvt Ltd., www.mdpl.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 143.

Trading of the Rights Entitlements

In accordance with the ASBA Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE123B20010. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The transfer through On Market Renunciation and Off Market Renunciation will be settled through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from February 12, 2024 to February 19, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date. For details, please see “*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on page 146. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see “*Procedure for Application*” on page 143.

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.

Payment Schedule of Rights Equity Shares

The Issue Price of ₹ 20.00 per Rights Equity Share (including premium of ₹ 15.00 per Rights Equity Share) shall be payable at the time of application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 3 Rights Equity Shares for every 2 fully paid-up Equity Shares held as on the Record Date. As per ASBA Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or is not in the multiple of 2 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 7 Equity Shares, such Equity Shareholder will be entitled to 10 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to -availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock 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 the 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-principle approval from the BSE through letter dated January 10, 2024 and from the NSE through letter dated November 7, 2023 .

Our Company will apply to the Stock Exchanges 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 521109) and NSE (Scrip Code:

NAGREEKEXP) under the ISIN: INE123B01028. 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 approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL. The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (four) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (four) 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 fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, please see the chapter titled “*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group*” on page 38.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, the holders of Rights Equity Shares shall have the following rights on the Rights Equity Shares:

- i. The right to receive dividend, if declared;
- ii. The right to vote in person, or by proxy;
- iii. The right to receive surplus on liquidation;
- iv. The right to free transferability of Rights Equity Shares;
- v. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law
- vi. 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 on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

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

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 and follow the process therein.

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.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations and SEBI ICDR Master Circulars, our Company will send/dispatch, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other 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 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 one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock 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 read with FEMA Rules, 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 Entitlement

Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.mdpl.in . 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 the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Entitlement Letter and Application Form shall be sent/ dispatched to the non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access this 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, the Lead Manager 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 and the Lead Manager.

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

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

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please see “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 150.

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 “*Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 147.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc.* in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlements Letter shall be sent through e-mail or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.mdpl.in. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.nagreeka.com;
- (ii) the Registrar at www.mdpl.in
- (iii) the Lead Manager at www.primesec.com
- (iv) the Stock Exchange at www.bseindia.com; and www.nseindia.com

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

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the

website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN could lead to rejection of the Application. For details, please see “*Grounds for Technical Rejection*” on page 153. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see “*Application on Plain Paper under ASBA process*” on page 147.

Options available to the Eligible Equity Shareholders

The 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.

PROCEDURE FOR 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 an SCSB, 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 SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made

available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

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

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the heading “*Application on Plain Paper under ASBA process*” on page 147.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the heading “*Basis of Allotment*” on page 157.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

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

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

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master 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 the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from February 12, 2024 to February 19, 2024 (both days inclusive).

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

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchange under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

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

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of 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. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges or the Lead Manager to provide requisite details. Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Nagreeka Exports 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 amount paid at the rate of ₹ 20.00 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. Additionally, all such Applicants are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

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

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

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

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

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://www.mdpl.in>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

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 facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

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

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

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 our Company, Eligible Equity Shareholders should visit www.nagreeka.com or www.mdpl.in.

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

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, 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 not 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 Eligible Equity Shareholders can access the Application Form from:
 - i. Our Company at www.nagreeka.com;
 - ii. the Registrar at www.mdpl.in.
 - iii. the Lead Manager at www.primesec.com; and
 - iv. the Stock Exchange.

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

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

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 THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE,

AS THE CASE MAY BE.

FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 158.

General instructions for Investors

- (a) Please read the 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.
- (c) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 147.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circulars , all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (j) Applications should not be submitted to the Bankers to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), our Company or the Registrar or the Lead Manager.
- (k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (l) 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.**
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other

than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (p) All communication in connection with Application for the Rights Equity Shares, including any change in contact details address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (e) 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.
- (f) 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.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- (h) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (k) 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 Entitlement Letter.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (g) Do not send your physical Application to the Lead Manager, the Registrar, the Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (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 Rights 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 not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or; or (iii) where either a registered Indian address is not provided or where 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 Rights Equity Shares in respect of any such Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Application from Investors that are residing outside India as per the depository records.
- (r) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Our Company may, in consideration with the Lead Manager and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

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

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR AS ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY THE INVESTOR AS ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSTORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill

in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar or the Company. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the intimation of unblocking of ASBA Account or refund (if any) would be sent/ dispatched to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

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

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

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, the following conditions shall apply:

1. NR Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Entitlements Letter and the Application Form shall be sent to their e-mail addresses or their Indian address, as applicable, if they have provided their Indian address to our Company. The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard. In the event that the e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company, our Company will make reasonable efforts to dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and Entitlements Letter by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in

Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

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

Multiple Applications

In case where multiple Applications are made in respect of the same Rights Entitlements 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. For details, please see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications shall be treated as multiple Applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of our Promoters or members of Promoter Group for subscribing any unsubscribed portion of this Issue as described in “*Capital Structure –Intention and extent of participation by our Promoters and Promoter Group*” on page 38.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is February 23, 2024, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, 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 the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the heading, “*Basis of Allotment*” on page 157.

Please note that on the Issue Closing Date, (i) the 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

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. **However, the Application, whether made through**

ASBA Process cannot be withdrawn after the Issue Closing Date.

Issue Schedule

| | |
|--|----------------------------------|
| Issue Opening Date | Monday, February 12, 2024 |
| Last Date for On Market Renunciation of Rights Entitlements[#] | Monday, February 19, 2024 |
| Issue Closing Date[*] | Friday, February 23, 2024 |
| Finalization of Basis of Allotment (on or about) | Monday, March 4, 2024 |
| Date of Allotment (on or about) | Tuesday, March 5, 2024 |
| Date of credit (on or about) | Thursday, March 14, 2024 |
| Date of listing (on or about) | Tuesday, March 19, 2024 |

^{*}Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

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

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., February 23, 2024 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.

Our Board or a duly authorised committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

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

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

- (e) Allotment to any 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:

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

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or 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 requisite interest 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.

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 centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors

have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 4 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 RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON 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 WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed an agreement dated June 26, 2002 with NSDL and an agreement dated May 24, 2002 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

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

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

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as

registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (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.

PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF INVESTORS

Procedure for Applications by FPIs

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

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative

instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

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

Procedure for Applications by AIFs, FVCIs and VCFs

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

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

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

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

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.

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 ₹10 lakh or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh 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 lakh or with both.

Payment by stockinvest

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

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received. 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.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of this Issue referred to under (1) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of this Issue referred to under (1) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

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

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the 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 “**Nagreeka Exports Limited – Rights Issue**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Maheshwari Datamatics Private Limited

23, R N Mukherjee Road, 5th Floor,

Kolkata – 700 001, West Bengal, India

Telephone: +91 33-2248-2248/2243-5029

E-mail: mdpldc@yahoo.com

Investor grievance E-mail: mdpldc@yahoo.com

Website: www.mdpl.in

Contact Person: Ravi Kumar Bahl

SEBI Registration No.: INR000000353

3. In accordance with SEBI ICDR Master 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 (*i.e.* at www.mdpl.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are +91-33-22482248.

This Issue will remain open for a minimum 15 days. However, our Board or a duly authorised 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

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government

of India (“**DPIIT**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per Regulation 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue securities on rights basis to non-resident shareholders including additional securities under the rights issue. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended, issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. If an NR or NRI Investor has specific approval from the RBI, in connection with their shareholding, they should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares.

The Rights Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – 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 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 contracts and also the documents for inspection would be available at the registered office of the Company between 10 a.m and 5 p.m on all working days.in from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated January 30, 2024 between our Company and the Lead Manager.
2. Registrar Agreement dated October 21, 2023 between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated January 18, 2024 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker 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 March 6, 1998.
3. Industry report titled “*Industry Outlook – Textile Outlook of India – Outlook and Challenges*” dated May 30, 2023, prepared by Infomerics Valuation and Rating Private Limited.
4. Copy of Audited Financial Statements for the Fiscal 2023
5. Copies of annual report of our Company for Fiscals 2023, 2022, 2021.
6. Resolution of our Board dated August 14, 2023 approving the Issue.
7. Resolution of our Board dated January 17, 2024, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
8. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Banker to the Company, Banker to the Issue, Legal Advisor to the Issue, Infomerics Valuation and Rating Private Limited for Industry report and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
9. The audit report dated May 30, 2023 and limited review report dated August 14, 2023, of the Statutory Auditors along with the Audited Financial Statements for the year ended March 31, 2023 and Unaudited Financial Statements for the period ended September 30, 2023, respectively included in this Letter of Offer.
10. Written consent dated October 6, 2023 from S R Patil and Associates, as an Independent Chartered Engineer to include their name in this Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, and in respect of the reports issued by them, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer
11. Consent letter dated October 12, 2023, from our Statutory Auditors, M/s B. Nath & Co, to include their name in this Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of their (i) Audited Financial Statements; (ii) Unaudited Financial Results; and (iii) the statement of possible special tax benefits dated October 12, 2023, included in this Letter of Offer.
12. Statement of Special Tax Benefits dated October 12, 2023 from the Statutory Auditors of the Company M/s B. Nath & Co., Chartered Accountants.

13. Tripartite Agreement dated June 26, 2002 between our Company, NSDL and the Registrar to the Issue.
14. Tripartite Agreement dated May 24, 2002 between our Company, CDSL and Registrar to the Issue.
15. Certificate from Statutory Auditors dated November 4, 2023, confirming that our Company has utilised the unsecured loans availed from the Promoters for the purposes for which they were availed.
16. In-principle approval issued by the BSE dated January 10, 2024 and the NSE dated November 7, 2023.
17. Due diligence certificate dated January 31, 2024, addressed to SEBI from the Lead Manager.

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

DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sushil Patwari
Chairman

Date: 31st January, 2024

Place: Kolkata

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sunil Ishwarlal Patwari
Managing Director

Date: 31st January, 2024

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mahendra Ishwarlal Patwari
Whole-Time Director

Date: 31st January, 2024

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Debabrata Das Choudhary
Whole-Time Director

Date: 31st January, 2024

Place: Kolkata

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pawan Kishore Harlalka
Independent Director

Date: 31st January, 2024

Place: Kolkata

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajendra Mahabirprasad Ruia
Independent Director

Date: 31st January, 2024

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Tushar Jhunjhunwala
Independent Director

Date: 31st January, 2024

Place: Kolkata

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Surabhi Sanganeria
Independent Director

Date: 31st January, 2024

Place: Kolkata

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

Amitava Mazumder
Additional Independent Director

Date: 31st January, 2024

Place: Kolkata

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

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

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Manoj Agarwal
Chief Financial Officer

Date: 31st January, 2024

Place: Kolkata

| | | | |
|---|--|---|---------------------------|
| APPLICATION FORM FOR ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY AND RENOUNCEES ONLY USING ASBA FACILITY |  NAGREEKA EXPORTS LIMITED Registered Office: 18, R.N. Mukherjee Road, Third floor, Kolkata – 700001, West Bengal, India Telephone: +91 – 33-22108827 Corporate Office: 7, Kala Bhavan, 3, Mathew Road, Opera House, Mumbai – 400 004, Maharashtra, India, Telephone: +91-22-6144 7500 Contact Person: Jyoti Sinha Banerjee, Company Secretary and Compliance Officer Email: rinagreeka@nagreeka.com; Website: www.nagreeka.com Corporate Identity Number: L18101WB1989PLC046387 | ISSUE OPENS ON | MONDAY, 12 FEBRUARY, 2024 |
| | | LAST DATE FOR ON MARKET RENUNCIATION* | MONDAY, 19 FEBRUARY, 2024 |
| | | ISSUE CLOSES ON# | FRIDAY, 23 FEBRUARY, 2024 |
| | | *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 authorised 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. | |
| Application No.: | | | |
| Collecting SCSB's Sign & Seal | | | |

Please read the Letter of Offer dated January 31, 2024 ("**Letter of Offer**" or "**LOF**"), the Abridged Letter of Offer, the Rights Entitlement Letter and instructions on the reverse of this Application Form carefully. All capitalised terms not defined herein shall carry the same meaning as ascribed to them in the Letter of Offer.

DO NOT TEAR OR DETACH ANY PART OF THIS APPLICATION FORM

THIS DOCUMENT IS NOT NEGOTIABLE.

ISSUE OF UP TO 1,87,49,550 EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH ("RIGHTS EQUITY SHARES") OF THE COMPANY FOR CASH AT A PRICE OF ₹ 20/- EACH (INCLUDING A SHARE PREMIUM OF ₹ 15/- PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹ 3,750 LAKH ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 RIGHTS EQUITY SHARES FOR EVERY 2 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, JANUARY 30, 2024. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE**" ON PAGE 135.**

*Assuming full subscription

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in the Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

To,

Date: _____

**The Board of Directors,
NAGREEKA EXPORTS LIMITED**

Dear Sir/ Madam,

- I/We hereby accept and apply for Allotment of the Rights Equity Shares (including Additional Rights Equity Shares "if applicable") mentioned in **Block I** below in response to the Abridged Letter of Offer/ Letter of Offer dated January 31, 2024 and any addenda thereto offering the Rights Equity Shares to me/us on rights basis.
- I/We agree to pay the amount specified in **Block II** below at the rate of ₹ 20/- per Rights Equity Share payable on Application on the total number of Rights Equity Shares specified in **Block I** below.
- I/We agree to accept the Rights Equity Shares Allotted to me/us and to hold such Rights Equity Shares upon the terms and conditions of the Abridged Letter of Offer/ Letter of Offer, and any addendum thereto, this Application Form, Rights Entitlement Letter and subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SEBI Rights Issue Circulars as applicable and the rules made thereunder and the Memorandum and Articles of Association of the Company
- I/We undertake that I/we will sign all such other documents and do all other such acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Rights Equity Shares in respect of which this application may be accepted.
- I/We also agree to accept the Rights Equity Shares subject to laws, as applicable, guidelines, circulars, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/Government of India/RBI and/or other authorities.
- I/We hereby solemnly declare that I am/we are not applying for the Rights Equity Shares in contravention of section 269SS of the Income-Tax Act, 1961.
- I/We authorise you to place my/our name(s) on the Register of Members / Register of Significant Beneficial Owners.
- I/We hereby accept and confirm the following:

I/We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

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

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

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

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

GENERAL INSTRUCTIONS

- (a) Please read the instructions printed on the Application Form carefully.
- (b) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (c) Please read the Letter of Offer, and any addenda thereto carefully to understand the Application process and applicable settlement process. All references in this Application Form to the "Abridged Letter of Offer" are to the Abridged Letter of Offer read together with the Letter of Offer and any addenda thereto. For accessing the Letter of Offer, the Abridged Letter of Offer, and any addenda thereto and the Application Form, please refer to the links provided below on page 4 of this Application Form.
- (d) **In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue 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 145 of the Letter of Offer.**
- (e) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. 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.
- (f) 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 SCSB;
- (g) 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. For further details, see "Procedure for Application" beginning on page 145 of the Letter of Offer.
- (h) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter and the Application Form are liable to be rejected. **The Application Form must be filled in English.**
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, are required to have an ASBA enabled bank account with an SCSB, prior to making the Application. **Please note that only those Investors who have a demat account can apply through ASBA facility.**
- (j) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 147 of the Letter of Offer
- (k) An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. **Applications on plain paper will not be accepted from any address outside India.**
- (l) Applications should not to be submitted the Bankers to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), our Company or the Registrar or the Lead Manager.
- (m) 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.**
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. **Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for Application.** In case payment is effected in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in contact details address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (r) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Rights Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.
- (s) Only the Investors holding Equity Shares in demat form or the Physical Shareholders who furnish the details of their demat accounts to the Registrar not later than two Working Days prior to the Issue Closing Date, are eligible to participate through the ASBA process. In accordance with the 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 the Issue Closing Date i.e. **Friday, 23 February, 2024**, shall not be eligible to apply in this Rights Issue.
- (t) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, updated from time to time, or at such other website as may be prescribed by SEBI from time to time. In addition, Applicants should consult with the relevant SCSB to ensure that there is no statutory / regulatory action restricting the Application being submitted through them.
- (u) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (v) **The Investors shall submit only one Application Form for the Rights Entitlements available in a particular demat account.** In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations such the Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts; the Investors are required to submit a separate Application Form for each demat account.
- (w) **Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**
- (x) **We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we 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 in respect of any such Application Form.**
- (y) 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
- (z) **PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "TERMS OF THE ISSUE - PROCEDURE FOR APPLICATION" ON PAGE 143 OF THE LETTER OF OFFER.**
- (aa) **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.**

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is **Friday, 23 February, 2024**, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, 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 the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the heading, "Basis of Allotment" on page 157 of the Letter of Offer.

Please note that on the Issue Closing Date, the 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.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. **However, the Application, whether made through ASBA Process, cannot be withdrawn after the Issue Closing Date.**

LIST OF SELF CERTIFIED SYNDICATE BANKS (SCSBs)

The list of banks who have registered with SEBI to act as SCSBs for the ASBA Process is <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=34>. For this Issue, following banks would be acting as SCSB: 1. AU Small Finance Bank 2. Axis Bank Ltd 3. Bandhan Bank 4. Bank of Baroda 5. Bank of India 6. Bank of Maharashtra 7. Barclays Bank PLC 8. BNP Paribas 9. Canara Bank 10. Catholic Syrian Bank Limited 11. Central Bank of India 12. CITI Bank 13. City Union Bank Ltd. 14. DBS Bank Ltd. 15. Deutsche Bank 16. Dhanlaxmi Bank Limited 17. Equitas Small Finance Bank 18. GP Parsik Sahakari Bank Limited 19. HDFC Bank Ltd. 20. HSBC Ltd. 21. ICICI Bank Ltd 22. IDBI Bank Ltd. 23. IDFC First Bank 24. Indian Bank 25. Indian Overseas Bank 26. IndusInd Bank 27. J P Morgan Chase Bank, N.A. 28. Janata Sahakari Bank Ltd. 29. Karnataka Bank Ltd. 30. Karur Vysya Bank Ltd. 31. Kotak Mahindra Bank Ltd. 32. Mehsana Urban Co-operative Bank Limited 33. Nutan Nagarik Sahakari Bank Ltd. 34. Punjab & Sind Bank 35. Punjab National Bank 36. Rajkot Nagarik Sahakari Bank Ltd 37. RBL Bank Limited 38. South Indian Bank 39. Standard Chartered Bank 40. State Bank of India 41. SVC Co-operative Bank Ltd. 42. Tamilnad Mercantile Bank Ltd. 43. The Ahmedabad Mercantile Co-Op. Bank Ltd. 44. The Federal Bank 45. The Jammu & Kashmir Bank Limited. 46. The Kalupur Commercial Cooperative Bank Ltd. 47. The Saraswat Co-Operative Bank Ltd 48. The Surat Peoples Co-op Bank Ltd 49. TJSB Sahakari Bank Ltd 50. UCO Bank 51. Union Bank of India 52. YES Bank Ltd

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ("**Issue Materials**") only to the Eligible 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 jurisdictions 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, the Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and 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 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 access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- (i) Our Company at www.nagreeka.com;
- (ii) the Registrar at www.mdpl.in.
- (iii) the Lead Manager at www.primsec.com; and
- (iv) the Stock Exchange at www.bseindia.com and www.nseindia.com

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

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

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

| LEAD MANAGER TO THE ISSUE | COMPANY CONTACT DETAILS |
|--|---|
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| PRIME SECURITIES LIMITED 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400 021, Maharashtra, India Telephone: +91 22 61842525 Email: projectrenewtex@primsec.com Investor Grievance Email: projectrenewtex@primsec.com Website: www.primsec.com Contact Person: Apurva Doshi SEBI Registration No.: INM00000075 | NAGREEKA EXPORTS LIMITED Registered Office: 18, R.N. Mukherjee Road, Third floor, Kolkata – 700001, West Bengal, India Corporate Office: 7, Kala Bhavan, 3, Mathew Road, Opera House, Mumbai – 400 004, Maharashtra, India, Telephone: +91-22-6144 7500 Telephone: +91 – 33-22108827 Contact Person: Jyoti Sinha Banerjee, Company Secretary and Compliance Officer Email: rinagreeka@nagreeka.com ; Website: www.nagreeka.com Corporate Identity Number: L18101WB1989PLC046387 |

REGISTRAR TO THE ISSUE

MAHESHWARI DATAMATICS PRIVATE LIMITED
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Contact Person: Ravi Kumar Bahi
SEBI Registration No.: INR000000353