



Synergy Green Industries Limited
Corporate Identification Number: L27100PN2010PLC137493

Synergy Green Industries Limited bearing Corporate Identification Number L27100PN2010PLC137493 was originally incorporated on October 08, 2010 as “Synergy Green Industries Private Limited” as Private Limited Company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Pune. Further, the Company was converted into Public Limited Company and consequently name of company was changed from “Synergy Green Industries Private Limited” to “Synergy Green Industries Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on February 12, 2018 and a fresh certificate of incorporation dated February 16, 2018 issued by the Registrar of Companies, Pune. The Company was then listed and admitted to dealings on the SME platform of BSE Limited on September 21, 2018. The company was subsequently migrated from the SME Platform to the Main Board of the BSE and National Stock Exchange (NSE) on July 28, 2021. Kindly refer to the section titled “General Information” beginning on page 3 of this Draft Letter of Offer.

Registered Office: 392, E Ward Shahupuri, Kolhapur, Maharashtra-416001

Website: www.synergygreenind.com; E-Mail: nmm@synergygreenind.com; Telephone No: +91-0231-2658375

Company Secretary and Compliance Officer: Nilesh Mohan Mankar

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| OUR PROMOTERS: MR. SACHIN RAJENDRA SHIRGAOKAR, MR. SOHAN SANJEEV SHIRGAOKAR, MR. VENDAVAGALI SRINIVASA REDDY AND S. B. RESHELLERS PRIVATE LIMITED | | |
| FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF SYNERGY GREEN INDUSTRIES LIMITED (OUR “COMPANY” OR “THE ISSUER”) ONLY | | |
| RIGHT ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ 4900 LAKHS* (“THE ISSUE”) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS [●] (THE “ISSUE”). | | |
| FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 4. | | |
| THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 4 OF THIS DRAFT LETTER OF OFFER. | | |
| *Assuming full subscription with respect to Rights Equity Shares | | |
| WILFUL DEFAULTERS AND/OR FRAUDULENT BORROWERS | | |
| Neither our company, nor our Promoters, or Directors are or have been categorized as wilful defaulters or fraudulent borrowers by bank or financial institutions (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India. | | |
| GENERAL RISK | | |
| Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our company and the issue, including the risks involved. The rights equity shares in the issue have not been recommended or approved by the securities and exchange board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 21 of this Draft Letter of Offer. | | |
| OUR COMPANY’S ABSOLUTE RESPONSIBILITY | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. | | |
| LISTING | | |
| The existing Equity Shares are listed on the BSE Limited and National Stock Exchange of India Limited (“NSE” or “Stock Exchange”). Our Company has received ‘in-principle’ approvals from NSE and BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●] and [●] respectively. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is National Stock Exchange of India Limited. | | |
| REGISTRAR TO THE ISSUE | | |
| | LINK INTIME INDIA PRIVATE LIMITED | |
| | Address: C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Contact person: Ms. Shanti Gopalakrishnan Tel: +91 810 811 4949 E-mail ID: synergygreen.rights@linkintime.co.in Website: www.linkintime.co.in SEBI registration number: INR000004058 Investor grievance e-mail: synergygreen.rights@linkintime.co.in CIN: U67190MH1999PTC118368 | |
| ISSUE PROGRAMME | | |
| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON** |
| [●] | [●] | [●] |

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or the Rights Issue 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). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I- GENERAL

DEFINITION AND ABBREVIATIONS

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

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications there to notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/chapters titled “Industry Overview”, “Offer Document Summary”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 52,17,87,49,99 and 120 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/chapters.

GENERAL TERMS

| Term | Description |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Synergy Green Industries Limited”, “our Company”, “the Company”, “the Issuer” | Synergy Green Industries Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 392, E Ward, Shahupuri, Kolhapur, Maharashtra- 416 001 |
| “we”, “us”, or “our” | Unless the context otherwise indicates or implies, refers to our Company. |

COMPANY RELATED TERMS

| Term | Description |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Annual Audited Financial Statements” | The audited financial statements of our Company prepared under AS/Ind AS for Fiscal 2021, 2022 and 2023 prepared in line with AS/Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. |
| “Articles” / “Articles of Association” / “AoA” | Articles / Articles of Association of our Company, as amended from time to time. |
| “Audit Committee” | Audit Committee of our Board, as describe in “Our Management-Committee of our Board” on page No. 66. |
| “Auditor” / “Statutory Auditor”/ “Peer Review Auditor” | Statutory and peer review auditor of our Company, namely, M/s. D A B & Associates, Chartered Accountants, Kolhapur. |
| “Board”/ “Board of Directors” | Board of directors of our Company or a duly constituted committee thereof. |
| “Chairman” | Mr. Sachin R. Shirgaokar, the Chairman of the Company. |
| “Chief Financial Officer / CFO” | Mr. Pratik Pradipkumar Dukande, the Chief Financial Officer of our Company. |
| “Company Secretary and Compliance Officer” | Mr. Nilesh Mohan Mankar, the Company Secretary and the Compliance Officer of our Company. |
| “Director(s)” | The director(s) on the Board of our Company, unless otherwise specified. |
| “Equity Shareholder” | A holder of Equity Shares of or company. |
| “Equity Shares” | Equity shares of our Company of face value of ₹ 10 each. |
| “Executive Directors” | Executive directors of our Company. |
| Group Companies | Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations |
| “Independent Director(s)” | The independent director(s) of our Company, in terms of Section |

| Term | Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 2 (47) and Section 149(6) of the Companies Act, 2013. |
| “Key Management Personnel” / “KMP” | Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in this Draft Letter of Offer. |
| “Limited Reviewed Financial Information” or “Limited Reviewed Financial Statements” or “Limited Reviewed Financial Consolidated Statements” or “Limited Reviewed Consolidated Financial Information” | The limited reviewed unaudited consolidated financial statements for the nine months periods ended December 31, 2023, and December 31, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations. |
| “Memorandum of Association” / “MoA” | Memorandum of Association of our Company, as amended from time to time. |
| Material Subsidiaries | None |
| “Nomination and Remuneration Committee” | Nomination and remuneration committee of our Board, as described in “Our Management – Committees of our Board” on page 66 |
| “Non-executive Directors” | Non-executive Directors of our Company. |
| “Non-Executive and Independent Director” | Non-executive and independent directors of our Company, unless otherwise specified |
| “Promoters” | Mr. Vendavagali Srinivasa Reddy, Mr. Sachin Rajendra Shirgaokar, Mr. Sohan Sanjeev Shirgaokar and M/s S B Reshellers Private Limited are the Promoters of our Company. For further details, see “Our Promoters and Promoter Group” on page 81 of this Draft Letter of Offer. |
| “Promoter Group” | Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations |
| “Registered Office” | The registered office of our Company located at 392, E Ward, Shahupuri, Kolhapur, Maharashtra - 416001 |
| “Registrar of Companies”/ “ROC” | Registrar of Companies, Pune situated at PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune-411044 |
| “Rights Issue Committee” | The committee of our Board constituted / designated for purposes of the Issue and incidental matters thereof through the resolution of the Board dated March 14, 2024. |
| “Shareholders / Equity Shareholders” | The Equity Shareholders of our Company, from time to time. |
| Subsidiaries | Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable Accounting Standards. |
| Unaudited Financial Results | The limited review of unaudited financial results of our Company for nine months period ended December 31, 2023 |

ISSUE RELATED TERMS

| Term | Description |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abridged Letter of Offer | Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act. |
| Additional Right Equity Shares | The Rights Equity shares applied or allotted under the issue in addition to the Rights Entitlements. |
| Allot/Allotment/Allotted | Allotment of Rights Equity Shares pursuant to the Issue. |
| Allotment Account | The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in |

| Term | Description |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | accordance with Section 40(3) of the Companies Act. |
| Allotment Account Bank | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●] |
| Allotment Advice | Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue. |
| Allotment Date | Date on which the Allotment is made pursuant to this Issue. |
| Allottee(s) | Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue. |
| Applicant(s) / Investor(s) | Eligible Equity Shareholder(s) and/or Renouncee (s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor. |
| Application | Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price. |
| Application Form | Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue. |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price. |
| Application Supported by Blocked Amount/ASBA | Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account. |
| ASBA Account | Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be. |
| ASBA Applicant / ASBA Investor | As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renounees) shall make an application for a rights issue only through ASBA facility. |
| 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 circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard. |
| ASBA Bid | A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. |
| Banker(s) to the Issue | Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being [●] |
| Bankers to the Issue Agreement | Agreement dated [●] entered into by and amongst our Company, |

| Term | Description |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof. |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page No. 120. |
| Controlling Branches/ Controlling Branches of the SCSBs | Such branches of SCSBs, which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at https://www.sebi.gov.in/ |
| 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. |
| 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. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | National Stock Exchange of India Limited (NSE) |
| Draft Letter of Offer/DLoF/DLOF | This Draft Letter of Offer dated [●] filed with the Stock Exchanges, for their observations and in-principal approval. |
| Eligible Equity Shareholders | Existing Equity Shareholders as on the Record Date i.e. (*). Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. |
| Escrow Collection Bank | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]. |
| FII / Foreign Institutional Investors | Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended] registered with SEBI under applicable laws in India. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 |
| IEPF | Investor Education and Protection Fund |
| ISIN | International securities identification number is INE00QT01015. |
| Issue / Rights Issue | Issue of Up to [●] fully paid up Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 4900 Lacs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. |
| Issue Closing Date | [●] |
| Issue Opening Date | [●] |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their applications, in accordance with the SEBI ICDR Regulations. |
| Issue Price | ₹ [●] per Rights Equity Share including Premium of ₹ [●]/- per Equity Share. |

| Term | Description |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue Proceeds | Gross proceeds of the Issue. |
| Issue Size | Issue Upto [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹[●] (Including a premium of ₹[●]) per Rights Equity Share not exceeding an amount of ₹ 4900 Lacs. |
| Letter of Offer/LOF/Letter of Offer/LOF | This letter of offer dated [●] filed with the Stock Exchange and submitted with SEBI. |
| 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 | Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "Object of the Issue" on page 38 of this Draft Letter of Offer. |
| Net Worth | Net worth as defined under Section 2(57) of the Companies Act 2013 |
| Non-ASBA Investor/ Non-ASBA Applicant | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees. |
| Non-Institutional Bidders or NIIs | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations. |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]. |
| Payment Schedule | Payment schedule under which 100% of the Issue Price is payable on Application, i.e. ₹ [●] per Rights Equity Share |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Record Date | Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]. |
| Refund Bank(s) | The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]. |
| "Registrar to the Issue" | Link Intime India Private Limited |
| Registrar Agreement | Agreement dated [●] entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Renouncee(s) | Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI- Rights Issue Circular, the Companies Act and any other applicable law. |

| Term | Description |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements, which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date. |
| Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s) | An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations |
| Rights Entitlements | The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●],[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, 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. The Rights Entitlements will also be accessible on the website of our Company and Registrar. |
| Rights Equity Shares | Equity Shares of our Company to be Allotted pursuant to this Issue. |
| SEBI Rights Issue Circulars | Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. |
| Self-Certified Syndicate Banks” or “SCSBs | The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time |
| Stock Exchanges | Stock exchanges where the Equity Shares are presently listed, being BSE Limited and National Stock Exchange of India Limited (NSE). |
| Transfer Date | The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Underwriters | [●] |
| Underwriting Agreement | The underwriting agreement dated [●] entered into between our Company, the Selling Shareholders and the Underwriters. |
| Wilful Defaulter | A Company or person, as the case may be, categorized as a wilful defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any |

| Term | Description |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | company whose director or promoter is categorized as such. |
| Working Days | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Gujarat are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI. |

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

| Term | Description |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| CDSL | Central Depository Services (India) Limited. |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| Companies Act, 2013 / Companies Act | Companies Act, 2013 along with rules made thereunder. |
| Companies Act 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| CSR | Corporate Social Responsibility |
| Depository(ies) | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| Depositories Act | The Depositories Act, 1996 |
| 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 |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017. |
| Financial Year/Fiscal | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until |

| Term | Description |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GDP | Gross Domestic Product |
| GoI / Government | The Government of India |
| GST | Goods and Services Tax |
| HUF(s) | Hindu Undivided Family(ies) |
| HTP | Heat Treatment plant |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act / IT Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016, as amended |
| INR or ₹ or Rs. Or Indian Rupees | Indian Rupee, the official currency of the Republic of India. |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| MCA | The Ministry of Corporate Affairs, GoI |
| Mn / mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NAV | Net Asset Value |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect. |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% by NRI's 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. OCBs are not allowed to invest in the Issue. |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after Tax |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| RBI | The Reserve Bank of India |

| Term | Description |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| RBI Act | Reserve Bank of India Act, 1934, as amended |
| Regulation S | Regulation S under the United States Securities Act of 1933, as amended |
| SCRA | Securities Contract (Regulation) Act, 1956 of 1933, as amended |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 as amended |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |
| Securities Act | The United States Securities Act of 1933. |
| STT | Securities Transaction Tax |
| State Government | The government of a state in India |
| Trademarks Act | Trademarks Act, 1999 |
| TDS | Tax deducted at source |
| US\$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| USA/ U.S./ US | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |

INDUSTRY RELATED TERMS

| Term | Description |
|--------------|---------------------------------------------------------|
| ACMA | Automotive Component Manufacturers Association of India |
| AML | Automatic Moulding Lines |
| CAD | Computer Aided Design |
| CAM | Computer Aided Manufacturing |
| CTC | Cost To Company |
| CNC machines | Computer and numeric controlled machines |
| CML | Conventional Moulding Lines |
| DG | Diesel Generator |
| EOT Cranes | Electric Overhead Travelling Cranes |
| FIFO | First In First Out Method |
| IEM | Industrial Entrepreneurs Memorandum |
| KVA | Kilo Volt Ampere |
| KW | Kilo Watt |
| NDT | Non Destructive Technology |
| OEM | Original Equipment Manufacturers |
| HCV | Heavy Commercial Vehicles |
| SG Iron | Spheroidal Graphite Iron |

| Term | Description |
|-------------|--------------------------------------|
| SIA | Secretariat of Industrial Assistance |
| MT | Metric tonnes |
| Ton / Tons | Tonne(s) |
| TS | Technical Specification |

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise; all references to a year in this Draft Letter of Offer are to a calendar year.

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 87. Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GOI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The Financial Statements of our Company for the Financial Years ended March 2022 and 2023 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 87.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rates

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

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

| Currency | Exchange rate as on | | |
|----------|---------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| 1 USD | 83.3739 | 82.2169 | 75.8071 |
| 1 Euro | 90.2178 | 89.6076 | 89.6076 |

(Source: RBI reference rate <https://www.fbil.org.in/#/home>)

Note: In case March 31 of any of the respective years / period or December 31 is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, or any of affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry source.

FORWARD – LOOKING STATEMENTS

Certain statements contained in this Draft 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 Draft Letter of Offer that are not historical facts.

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

- performance of the industries in which our clients operate;
- performance of our key clients and our relationship with our intermediaries;
- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
- hire and retain senior management personnel and other skilled manpower;
- manage cost of compliance with labor laws or other regulatory developments;
- manage our operating costs;
- manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
- successfully implement our business strategies and expansion plans;
- maintain effective internal controls;
- adequate and timely supply of assets necessary for our operations such as vehicles and equipment;
- state of road, air and other transportation infrastructure in India;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- Economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 21,57 and 91 respectively, of this Draft Letter of Offer. 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.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as at the date of this Draft 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 materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our directors, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SECTION II – SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Business Overview”, “Industry Overview”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages, 21, 29, 35, 38, 57, 52, 99 and 120 respectively.

SUMMARY OF INDUSTRY

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India’s power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India’s focus on attaining ‘Power for all’ has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

India eyes global wind energy supply chain opportunities as it targets growth in capacity additions. In the midst of global uncertainty caused by the global COVID pandemic, the Russia-Ukraine war and recessionary pressures, India’s continued political stability has provided strong support for the country’s climate commitments. India has prioritized renewable energy, including wind power, in its long-term vision for transformation lifting expectations for a wind sector that experienced a slowdown in capacity additions in the recent past.

India’s Central Electricity Authority (CEA) projects Ex-Bus electricity demand to grow 75% by 2031-32 from 2021-22 levels, and 170% by 2041–42. Demand is projected to increase by more than 90% in four out of the eight windiest states by the start of the next decade. The World Energy Outlook 2022 estimates demand to triple between 2021 and 2050.

India aspires to be a 5 trillion USD dollar economy by 2025 and aims to grow manufacturing GDP 15-fold between 2021 and 2047. It is also committed to achieving net zero by 2070. Renewable energy (excluding large hydro) already represents nearly 30% of India’s installed power generation capacity, at 410 GW, with 10% of this capacity being wind energy. The combined impact of economic growth, net-zero goals and burgeoning electricity demand will result in a rapid increase in the share of renewable energy in the power generation mix. For wind power, India’s target is to achieve a cumulative 140 GW of capacity by 2030.

SUMMARY OF BUSINESS

Synergy Green Industries Limited (SGIL), is engaged in to manufacturing of large size critical castings for wind turbine Industry, wind gear boxes and general engineering applications like mining, Plastic Injection, & Pump Industries. Company started establishing a green field foundry project during 2011 and commenced the commercial production in June 2012. Foundry is located at strategic foundry cluster Kolhapur, Maharashtra and has got access to key resources like quality raw material & skilled manpower. Company’s location is also strategically closer to wind OEM’s hub like Pune & Chennai.

Company has got state of the art infrastructure to meet the stringent quality requirements for large castings. Only company in India to install a semi-automatic line for preparing the moulds and delivers excellent quality along with highest productivity.

Company maintains highest quality standards with complete range of inhouse testing facilities approved by NABL along with highly skilled team. Company is certified for Quality Management Systems with ISO 9001:2015 for Quality, ISO 14001- 2015 for Environmental management & ISO 45001-2018 for Occupational Health & Safety standards. Company has also got ISO 27001 certification for Information Security Management Systems and ISO 50001 certification for Energy Management Systems.

Company is in to manufacturing of Ductile Iron, Grey Iron & Steel castings in the weight range of 3 MT to 30 MT single piece. Company is equipped with best of the IT technology like MAGMA Simulation for flow and thermal analysis, ATAS System for liquid metal quality validation and SAP system for managing the business functions. Company is equipped with large castings material handling capability with 60 MT cranes, electric induction melting furnaces and furan moulding system. Company is installed with reclamation plants, pollution control equipment’s which ensures environmentally friendly casting production with highest safety standards and energy efficiency.

SGIL's core strength is young qualified team one who has developed many critical products with stringent quality requirements. In its endeavors, the team is supported by a robust IT infrastructure and communication network. With these capabilities Company could build a strong customer base consisting of world's Top 10 Wind Turbine OEM's like Vestas, Siemens Gamesa, GE Renewable, Nordex & Senvion and Wind Gear Box customer like M/s ZF and M/s Flender. These customers have got more than 50% of world's market share in the wind industry. Further Company also built a strong customer base in Non-Wind Industry like Mining, Plastic Injection, Pumps & General Engineering.

Our company aims to be in Top 10 best foundries in the world. In this endeavor, continuously investing on Infrastructure, latest technologies, R&D activities and training the team to upgrade the knowledge base.

For further details, please refer to the chapter titled "**Business Overview**" at page 57 of this Draft Letter of Offer.

OUR PROMOTERS

The Promoters of our Company are Mr. Sachin Rajendra Shirgaokar, Mr. Sohan Sanjeev Shirgaokar, Mr. Vendavagali Srinivasa Reddy and M/s. S. B. Reshellers Private Limited.

For further details please see chapter titled "*Our Promoters and Promoter Group*" beginning on page 81 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

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:

(Amount in Lakhs)

| Sr. No. | Description | Amount | FY 2024-25* |
|---------|----------------------------------------------------------------------------------------------------------|---------|-------------|
| 1. | Capital expenditure for enhancement of present foundry capacity from 30,000 MT/Annum to 45,000 MT/Annum. | 884.75 | 884.75 |
| 2. | Capital Expenditure for setting up New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity | 501.00 | 501.00 |
| 3. | Capital Expenditure to build 10,000 MT/Annum of machining capacity | 1445.45 | 1445.45 |
| 4. | Installation of Solar plant for Captive consumption | 707.80 | 707.80 |
| 5. | General Corporate Expenses | [●] | [●] |
| 6. | Issue Expenses | [●] | [●] |
| | Total | [●]# | [●] |

^Any portion of the Net Proceeds not deployed for the stated Objects in FY 2024-25 will be deployed by our Company in FY 2025-26

*Assuming full subscription and Allotment with respect to the Rights Equity Shares.

MEANS OF FINANCE

We intend to finance our Objects of the Offer through Right Issue Proceeds which are as follows:

(Amount in Lakhs)

| Sr. No. | Particulars | Amount Required | From Issue Proceeds | Internal Accrual | Borrowings* |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------|------------------|-------------|
| 1. | Capital expenditure for enhancement of Moulding & Melting Capacity of Foundry from 30,000 MT/Annum to 45,000 MT/Annum. | 2066.47 | 884.75 | 148.48 | 1033.24 |
| 2. | Capital Expenditure for setting up New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity with area admeasuring 8400 Sq. Meters. In Kagal Hatkanangale Five Star Industrial Area, District Kolhapur. | 2696.62 | 501.00 | 495.12 | 1700.50 |
| 3. | Capital Expenditure to build 10,000 MT/Annum of machining capacity with area admeasuring 9541 Sq. Meters. In Kagal Hatkanangale Five Star Industrial Area, District Kolhapur. | 7779.89 | 1445.45 | 1428.46 | 4905.98 |
| 4. | Installation of Solar plant for Captive consumption | 3219.94 | 707.80 | 683.21 | 1828.93 |
| 5. | General Corporate Purpose | [●] | [●] | [●] | [●] |
| | Total | [●] | [●] | [●] | [●] |

* Our company has submitted the proposal for loan to the tune of Rs 9500.00 Lacs for expansion project to the Saraswat Co-operative Bank Ltd and bank vide its letter dated 06/05/2024 acknowledge the same and the Saraswat Co-operative Bank Ltd. has confirmed to expedite the matter of sanction.

For further details, please see chapter titled “Objects of the Issue” beginning on page 38 of this Draft Letter of Offer.

SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the Financial Information as at and for the Financial Years ended on March 31, 2024, 2023, 2022 and 2021.

(₹ In Lakhs)

| Sr. No | Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--------|-------------------------------------------------|----------------|----------------|----------------|----------------|
| 1. | Authorized Share Capital | 3000.00 | 3000.00 | 2800.00 | 2800.00 |
| 2. | Authorized Equity Share Capital | 1700.00 | 1700.00 | 1500.00 | 1500.00 |
| 3. | Authorized Preference Share Capital | 1300.00 | 1300.00 | 1300.00 | 1300.00 |
| 4. | Paid-up Equity Capital | 1413.00 | 1413.00 | 1413.00 | 1413.00 |
| 5. | Paid-up Equity Capital | 1071.00 | 1071.00 | 1071.00 | 1071.00 |
| 6. | Net Worth attributable to Equity Shareholders | 4669.33 | 3511.22 | 3416.38 | 3301.76 |
| 7. | Total Revenue | 32812.71 | 29014.83 | 28491.69 | 19992.37 |
| 8. | Profit after tax | 1156.23 | 86.74 | 142.82 | 317.58 |
| 9. | Earnings per Share (basic) (in ₹) | 8.18 | 0.61 | 1.01 | 2.25 |
| 10. | Earnings per Share (diluted) (in ₹) | 8.18 | 0.61 | 1.01 | 2.25 |
| 11. | Total Borrowings (Excluding Preference Capital) | 6922.33 | 7295.25 | 7169.23 | 6516.44 |

SUMMARY OF OUTSTANDING LITIGATION

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies is provided below: For details, see “OUTSTANDING LITIGATION” on page 99 of this Draft Letter of Offer.

| Nature of Case | Number of Cases | Outstanding Amount (in lakhs) |
|-----------------------------------------|-----------------|-------------------------------|
| Company | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | 3 | 546.46 |
| Civil Case/ Criminal Case | Nil | Nil |
| Directors | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | 17 | 31.78 |
| Promoters (Other than Directors) | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | 3 | 0.87 |
| Civil Case/ Criminal Case | 8 | 8.22 |
| Subsidiaries | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | Nil | Nil |
| Group Companies | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | Nil | Nil |

RISK FACTORS

Please see the chapter titled “*Risk Factors*” beginning on page 21 of this Draft Letter of Offer.

SUMMARY OF CONTINGENT LIABILITIES

For details, see “*Financial Information*” on page 87 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES MADE IN LAST ONE YEAR FOR CONSIDERATION OTHER THAN CASH.

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

SPLIT/ CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR.

Our Company had not split/consolidated its Equity Shares in the last one year.

SECTION III: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

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

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors.

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

INTERNAL RISKS

1. ***There are outstanding legal proceedings involving our Company and Group Companies. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities.

We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending civil and other proceedings involving the Company is provided below:

| Nature of Case | Number of Cases | Outstanding Amount (in lakhs) |
|------------------------------------------------|-----------------|-------------------------------|
| <i>Company</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | 3 | 546.46 |
| Civil Case/ Criminal Case | Nil | Nil |
| <i>Directors</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | 17 | 31.78 |
| <i>Promoters (Other than Directors)</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | 3 | 0.87 |
| Civil Case/ Criminal Case | 8 | 8.22 |
| <i>Subsidiaries</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |

| | | |
|---------------------------|-----|-----|
| Civil Case/ Criminal Case | Nil | Nil |
| Group Companies | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | Nil | Nil |

2. ***Our Company has issued 10% Non-cumulative Redeemable Preference Share capital which will bear priority over Equity Shares. Also our Company has not paid dividend on such Preference Shares till date. However The Board of Directors of the Company has recommended dividend to 10% Redeemable Cumulative Preference Shareholders accumulated for last 5 years i.e. from the F.Y.2019-20 to 2023-24 in the Board meeting held on 22nd May 2024 subject to approval of members***

Our Company had issued 10% Non-Cumulative Redeemable Preference Shares on March 2012. Later on, the Board of Directors in its meeting held on February 5, 2020, proposed to change the existing nomenclature of the said 10% Non-Cumulative Redeemable Preference Shares to 10% Cumulative Redeemable Preference Shares with effect from 1st April, 2019. The Company had obtained approval of Preference Shareholders for such change in nomenclature and as such consents in writing from all the Preference Shareholders was received on December 19, 2019 and December 20, 2019.

In order to give effect to such change in the existing Authorized Capital Clause no 5th of the Memorandum of Association of the Company, the said clause was altered through Postal ballot on March 09, 2020 and the Authorised Capital was last altered in Annual General Meeting held on 29th September, 2022. Altered Authorized Capital Clause no 5th of the Memorandum of Association of the Company is as follows:

Clause 5th: “The authorized share capital of the company is Rs. 30,00,00,000/- (Rupees Thirty Crores) divided into 1,70,00,000 (One Crore Seventy Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each and 13,00,000 (Thirteen Lakhs) 10% Cumulative Redeemable Preference Shares of Rs 100/- (Rupees Hundred) each.”

The total number of 10% Cumulative Redeemable Preference Shares as on the date of Draft Letter of offer is 10,71,000 at a face value of Rs. 100/- each and the maximum term of redemption of these shares are 20 (Twenty) years. The Preference Shareholders have a preferential claim over dividend and repayment of capital over Equity Shareholders. Though these Preference Shares are Non- Convertible but these Shares bear priority over Equity Shares in terms of payment of dividend (if declared) and repayment of capital (if any). Additionally, our Company has not paid dividend on preference shares since the date of the issue, consequent to which the preference shareholders have right to vote in all the resolutions of the Company as per section 47 of Companies Act, 2013. However Board of Directors of our Company has recommended dividend on preference shares in the Board meeting held on 22nd May 2024 subject to approval of the members.

3. ***We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may adversely affect our operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. Although we believe that we have obtained required license for carrying our business activity. There can be no assurance that the relevant authorities will renew these approvals or licenses in a timely manner. As a result, we may not be able to execute our business plan as planned. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at State Government levels. If we fail to comply, or a regulator claim that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects.

4. ***Any disruption in the supply chain could have an adverse impact on our business, financial condition, cash flows and results of operations.***

Our ability to manufacture, transport, and sell our products is critical to our success. Any disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers and could materially and adversely affect our product sales, financial condition, and results of operations. In addition, any damage or disruption to our supply chain, including transportation, due to weather, natural disaster, fire or explosion, terrorism, pandemics, strikes, government action, or other reasons beyond our control. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition, cash flows and results of operations.

5. ***Shortfall/ non - availability/ increase in input costs of raw materials or supply/cost of utilities may have an adverse impact on our business and financial condition.***

Our major raw material is CRCA Scrap, Local Pig Iron, Sorel Pig Iron, Ferro Alloys, Sand, Furan Binders along with certain inoculants. Power and fuel are also an important input for melting the scrap. Most of the raw materials required for our manufacturing process are sourced from within the State. Certain specific inputs such as Sorel Pig Iron, Ferro Alloys, Furan Binders are sourced from Outside the Country. Regarding utilities, for meeting our requirement of power at our units, we have entered into agreement with the Maharashtra State Electricity Distribution Company Ltd (MSEDCL). The prices of Electricity are determined by the (MSEDCL) from time to time. Apart from this, we also have DG sets as stand by arrangement, in our unit. Regarding water, the quantities sourced from Maharashtra Industrial Development Corporation are sufficient to meet our requirements. Although our manufacturing process does not involve the use of large quantities of water and shortfall could adversely impact our business. We may not be able to pass on any or all increase in the cost of raw materials and other inputs, if any, to our customer, which could have an adverse impact on our profitability. Although we have production and planning personnel at our unit which constantly monitor the requirement, usage, availability, stock and supply of these raw materials on a regular basis any shortfall/ non - availability of raw materials or supply of utilities may have an adverse impact on our business and financial conditions.

6. *We have entered into annual non-binding contracts with our top customers, hence non materialization of these contract orders may have an adverse impact on our business and financial operations.*

We have signed annual non-binding purchase contracts with top customers. However, these contracts are subject to confirmation with final purchase order based up on their demand materialization. Our products are manufactured and sold only against confirm orders. Each of our castings is customized to the requirements of our customers. Although we have placed strong emphasis on performance, adherence to scheduled timelines set by our customers and meeting their quality requirements, any change in their buying strategy could result in termination of supply orders and could materially or adversely affect our business, profits and results of operations.

7. *Any adverse performance in the Wind Turbine industry could affect our business adversely.*

We derive more than half of our revenues from the Wind Turbine segment. These industries are sensitive to changes in economic conditions, cyclicity and unforeseen events, including political instability, recession, inflation or other adverse occurrences. The wind turbine sector, in particular, is dependent on weather. Any event that results in decreased demand in the wind turbine industry, or due to changes of technologies, could have an adverse effect on our business and results of operations.

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

We believe that the industry in which we operate face competitive pressures in recruiting and retaining skilled and unskilled labour. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past but there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

9. *We rely upon third-party licensed software for robust and innovative casting solutions. Our ability to design, tooling lay-out and production is largely dependent on the software.*

Our solution needs licensed software from third parties. Our technical team has the required expertise for using advanced and updated software which is used in providing the robust and cost-effective solutions in component design, tooling lay-out and production. We are dependent on the software for our regular and continuous operations. While we expect to continue to use this software, we may not be able to receive the expected end result from them which may hamper our ability to provide the expected products. Further, we may not be able to use them on reasonably commercial terms which may affect our operations substantially.

10. *Changes in business environment/ cost overruns could affect our expansion plans adversely.*

The expansion plans drawn by us are based on expected business opportunities in this industry. Although, our business plans have been drawn up based on our past experience and we are confident of adapting to any change in the business environment, any change in the market conditions could adversely affect our profitability. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns.

11. *Our in-house State of the art facilities may fail which may affect our operations, reputation and profitability.*

Through in-house State of the art facilities, we have developed in-house resources with key competencies to deliver the products from conceptualization to completion which includes our qualified design and engineering team; our manufacturing units

located at Kagal for processing, manufacturing of various types of castings. We rely on our in-house State of the art facilities for timely and efficient execution of our contract. In case of any disruptions or malfunctions at any of our facilities as a result of which the materials required for the production of our Products are not available on time, we may have to procure such materials from third party suppliers which may not be available at short notice or within the timelines required by us or at the rates favorable to us which may have an adverse effect on our profitability and results of operations. Further, any damage to our storage units or mishandling of our raw materials will adversely affect the timely execution of orders.

12. *We do not have any long-term agreement or contract for supply of raw materials & consequently are exposed to price and supply fluctuations for our raw materials.*

We are, to a major extent, dependent on external suppliers for our raw materials requirements and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process. Consequently, we are exposed to price and supply fluctuations in raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of raw materials on favourable terms we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of raw material and job worker or due to inability to procure the same. Further, unfavourable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our business will be adversely affected.

13. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed technology sufficient to our business operations and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the Casting Components Industry, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

14. *Failure to realize anticipated benefits from various initiatives introduced to enhance productivity and improve operating efficiencies may adversely affect our business, results of operations, cash flows and financial condition.*

Our future success and profitability depend in part on our ability to reduce costs and improve efficiencies. Our productivity initiatives help fund our growth initiatives and contribute to our results of operations. We continue to implement strategic plans that we believe will position our business for future success and long-term growth by enabling us to achieve a lower cost structure and operate more efficiently in the foundry industry. In order to capitalize on our cost reduction efforts, it will be necessary to make certain investments in our business, which may be constrained by the amount of capital investments required. In addition, it is critical that we have the appropriate personnel in place to continue to lead and execute our growth strategy. If we are unable to successfully implement our productivity initiatives, fail to implement these initiatives as timely as we anticipate, do not achieve expected savings as a result of these initiatives or incur higher than expected or unanticipated costs in implementing these initiatives, or fail to identify and implement additional productivity enhancement initiatives in the future, our business, results of operations, cash flows and financial condition may be adversely impacted.

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

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

16. *Delays or defaults in client payments could result in a reduction of our profits.*

We may be subject to working capital risks due to delays or defaults in payment by customer, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the stipulated time to our customers may affect our payment schedule and business image.

Therefore, any defaults/delays by our customer in meeting their payment obligations to us may have a material adverse effect on our business, financial condition and results of operations.

17. *We are subject to various laws and regulations relating to the handling and disposal of any hazardous materials and wastes being generated from our assembly facility. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including fines or incur costs that could have a material adverse effect on the success of our business.*

We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Further, our company is subject to following certain rules and guidelines, but not limited to The Micro, Small and Medium Enterprises Development Act, 2006; The Maharashtra Industrial Policy 2013; Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957; The Factories Act, 1948; The Environment Protection Act, 1986; Water (Prevention and Control of Pollution) Act, 1974; National Environmental Policy, 2006; and Foreign Exchange Management Act, 1999. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

18. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances.*

A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand. Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

19. *We face foreign exchange risks that could affect our results of operations.*

We face foreign exchange rate risk as some of expenses are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the U.S. dollar, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods and may continue to fluctuate in the future.

Fluctuations in the exchange rates may affect us to the extent of such orders being placed overseas. Our Company may enter into certain contracts to hedge exchange rate fluctuations which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may impact our profitability and financial condition.

20. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.*

While we maintain insurance coverage related to our Building, Stock and other insurance for movable assets and key managerial person. we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

21. *We have entered into related party transactions in the past, and will continue to do so in the future. These transactions or any future transactions with our related parties could potentially involve conflict of interest.*

Our Promoters, Directors, key managerial personnel or senior management are interested in our Company to the extent of their shareholding and associated dividend entitlements thereon in our Company, in addition to regular remuneration or benefits and expenses reimbursement. Our Promoters, Directors, key managerial personnel or senior management are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Company/Entity.

All transactions with related parties entered into by the company in past were at arm's length basis, in compliance with applicable provisions of Companies Act, 2013 and other applicable provisions. Additionally, our Company may enter in related party transactions in future subject to necessary compliances in accordance with relevant acts, rules and regulations. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities please refer to the section "Financial Information", beginning on page 87.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

22. *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 funding requirements and deployment of the Net Proceeds are based on internal management estimates which should be done in compliance with all applicable laws & regulations and based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, 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 further details, see "Objects of the Issue" on page 38. Further, our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and therefore we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

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

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

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

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

25. *The company has Permissions foundry capacity of 30,000 MT/Annum, new permissions for foundry capacity of 60,000 MT/Annum is under process with Maharashtra Pollution Control Board (MPCB) approval. If the Company may not grant approval, it may get adverse effect.*

EXTERNAL RISKS

1. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

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

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

- a) Custom Duty;
- b) Goods and service tax and other levies; and
- c) Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

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

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

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

4. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. 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. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, our future financial performance and the prices of the Equity Shares.

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

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our equity shares.

7. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement,

understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

8. Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and cash flows.

We currently manufacture only in India and are dependent on domestic, regional and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on foundry Industry of Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis and volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on March 14, 2024 pursuant to Section 62(1)(a) of the Companies Act.

The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled “Terms of the Issue” on page 120 of this Draft Letter of Offer.

| Particulars | Details of Equity Shares |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity Shares proposed to be issued | Upto [●] Equity Shares |
| Rights Entitlement for the Rights Equity Shares | [●] Equity Share for every [●] fully paid-up Equity Share held on the Record Date |
| Fractional Entitlement | For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any. |
| Record date | [●] |
| Face Value per Equity Shares | ₹10.00 each |
| Issue Price per Rights Equity Shares | ₹[●] per Rights Equity Shares |
| Issue Size | Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹[●]) per Rights Equity Share aggregate an amount not exceeding ₹ 4900.00 Lacs . |
| Voting Rights and Dividend | The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company. |
| Equity and Preference Shares issued, subscribed and paid up prior to the Issue | 1,41,30,000 Equity Shares issued subscribed and paid-up. 1,07,10,000 10% Cumulative Redeemable Preference Shares. For details, please see “Capital Structure” on page 35. |
| Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | [●] Equity Shares |
| Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) | [●] Equity Shares |
| Scrip Details | ISIN: INE00QT01015 NSE: SGIL BSE: 541929 ISIN for Rights Entitlement: [●] |
| Use of Issue Proceeds | For details, please refer to the chapter titled “Objects of the Issue” on page 38 of this Draft Letter of Offer. |
| Terms of the Issue | For details, please refer to the chapter titled “Terms of the Issue” on page 120 of this Draft Letter of Offer. |
| Terms of Payment | The full amount of the Issue Price is payable on Application. |

Issue Schedule:

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

| Event | Indicative Date |
|--------------------------------------------------|-----------------|
| Issue Opening Date | [●] |
| Last Date for On Market Renunciation of Rights** | [●] |
| Issue Closing Date* | [●] |

*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

** 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.

GENERAL INFORMATION

Synergy Green Industries Limited bearing Corporate Identification Number L27100PN2010PLC137493 was originally incorporated on October 08, 2010 as “Synergy Green Industries Private Limited” as Private Limited Company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Pune. Further, the Company was converted into Public Limited Company and consequently name of company was changed from “Synergy Green Industries Private Limited” to “Synergy Green Industries Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on February 12, 2018 and a fresh certificate of incorporation dated February 16, 2018 issued by the Registrar of Companies, Pune. The Company was then listed and admitted to dealings on the SME platform of BSE Limited on September 21, 2018. The company was subsequently migrated from the SME Platform to the Main Board of the BSE and National Stock Exchange (NSE) on July 28, 2021.

REGISTERED OFFICE OF OUR COMPANY

SYNERGY GREEN INDUSTRIES LIMITED

392, E Ward, Shahupuri, Kolhapur, Maharashtra-416001

Tel: 0231 2658375

Email: info@synergygreenind.com

Website: www.synergygreenind.com

Corporate Identification Number: L27100PN2010PLC137493

MANUFACTURING UNITS/FACILITY ADDRESS:

SYNERGY GREEN INDUSTRIES LIMITED

Plot No.C-18, Five Star, MIDC, Kagal,
Kolhapur- 416216, Maharashtra, India

Tel No.: +91-0231-2305311, 2305312

E-mail: info@synergygreenind.com

Website: www.synergygreenind.com

REGISTRAR OF COMPANIES

Registrar of Companies, Pune

PCNTDA Green Building, BLOCK A, 1st & 2nd Floor,

Near Akurdi Railway Station, Akurdi, Pune-411044

Telephone Number- +91-020-27651375

Email Id- roc.pune@mca.gov.in

DETAILS OF CHANGE IN REGISTERED OFFICE

Registered office of our company is currently situated at 392, E Ward, Shahupuri Kolhapur- 416001, Maharashtra, India. Further, there has not been any changes in registered office of the Company since inception.

BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

| NAME | AGE | DIN | DESINGAITON | ADDRESS |
|-----------------------------|-----|----------|------------------------------|-----------------------------------------------------------------------------------|
| Sachin Rajendra Shirgaokar | 58 | 00254442 | Chairman & Managing Director | Plot No.76, 128/1, 132 B/1, Vaibhav Co. Op Housing Society, Kolhapur-416004 |
| Sohan Sanjeev Shirgaokar | 41 | 00217631 | Joint Managing Director | 392, E Ward, Shahupuri, Kolhapur Rs, Karvir, Kolhapur-416001 |
| Vendavagali Reddy Srinivasa | 54 | 03425960 | Whole-Time Director | C 705, Anantpuram, Near Market Yard, Bapat Camp, Gur Market Yard, Kolhapur-416005 |
| Shishir Suresh Shirgaokar | 79 | 00166189 | Non-Executive Director | 12, Kostka House, 31, Pali Road, Bandra West Mumbai-400050 |
| Chandan Sanjeev Shirgaokar | 46 | 00208200 | Non-Executive Director | 8, Sahayog Nagar, Willingdon College, Vishrambag, Sangli- |

| NAME | AGE | DIN | DESINGAITON | ADDRESS |
|-----------------------------|-----|----------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| | | | | 416415 |
| Meyyappan Shanmugam | 64 | 00079844 | Non-Executive Independent Director | 702/703/84, Prabha Building, Garodia Nagar, Opp.Garodia School Ghatkopar Rajawadi, Mumbai (Sub Urban)-400077 |
| Subhash Gundappa Kutte | 71 | 00233322 | Non-Executive Independent Director | RS No 36a/26, Bunglow No B-2, Sanyam, Atharv Siddhi Sankul, Tarabai Park, Karvir. Kolhapur-416003 |
| Mallappa Rachappa Desai | 77 | 01625500 | Non-Executive Independent Director | 149 Biligi Yadahalli Bilagi, Bagalkot-587117 |
| Prabha Prakash Kulkarni | 80 | 00053598 | Non-Executive Independent Director | C.S. No. 8795, Sangli Miraj Road, Opp DSP Office, Vishrambag, Sangli-416415 |
| Dattaram Kamat Pandurang | 74 | 02081844 | Non-Executive Independent Director | CS No.2142, Flat No.201, E Ward, Victor Ville, Tarabai Park, Himmat Bahaddur Parisar, Kolhapur-416003 |

For detailed profile of our directors, please refer to the chapter titled “Our Management” on page 66 of this Draft Letter of Offer.

CHIEF FINANCIAL OFFICER

Mr. Pratik Pradipkumar Dukande is the Chief Financial Officer of our Company. His contact details are set for hereunder.

SYNERGY GREEN INDUSTRIES LIMITED

392, E Ward, Shahupuri, Kolhapur, Maharashtra-416001

Tel: 0231 2658375

Email: sbk@synergygreenind.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Nilesh Mohan Mankar, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

SYNERGY GREEN INDUSTRIES LIMITED

392, E Ward, Shahupuri, Kolhapur, Maharashtra-416001

Tel: 0231 2658375

Email: nmm@synergygreenind.com

REGISTRAR TO THE ISSUE

Link Intime India Private Limited

SEBI Registration number: INR000004058

Registered office Address:

C-101, 247 Park, LBS Marg, Vikhroli (West),

Mumbai – 400 083, Maharashtra, India.

Tel No.: +91 81081 14949

Branch/ Correspondence Address:

Block No. 202, 2nd Floor, Akshay Complex, Off, Balkrishna Sakharam Dhole Patil Rd,

Near Ganesh Temple, Pune, Maharashtra 411001

Contact Person: Ms. Shanti Gopalakrishnan

Telephone Number: +91 810 811 4949

Email Id: synergygreen.rights@linkintime.co.in

Investor grievance Email Id: synergygreen.rights@linkintime.co.in

Website: www.linkintime.co.in

CIN: U67190MH1999PTC118368

ADVISOR TO THE ISSUE

BEELINE CAPITAL ADVISORS PRIVATE LIMITED

Address: B 1311-1314, Thirteenth Floor, Shilp Corporate Park,
Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India.

Telephone Number: 079 – 4918 5784

Email Id: mb@beelinemb.com

Website: www.beelinemb.com

Contact Person: Mr. Nikhil Shah

CIN: U67190GJ2020PTC114322

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

M/s. DAB & Associates., Chartered Accountants

Address: C. S. No. 221, B-1, E Ward, Rajhans Apartment,
2nd Floor, Flat No. S-6, Tarabai Park, Kolhapur - 416 003

Telephone- (0231) - 2659546

Email: guruprasad_bobhate@dabassociates.in

Contact Person: Guruprasad Bobhate

Membership No.: 198670

Firm Registration No.: 101119W

Peer Review Certificate No.: 012861

Changes in Auditors during the last three years:

Except as disclosed below, there have been no changes in our statutory auditors during the last three years preceding the date of this Draft Letter of Offer:

| Particulars | Date of change | Reasons for change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------|
| M/s P. G. Bhagwat LLP., Chartered Accountants Address: C. S. No. 221, B-1, E Ward, Rajhans Apartment, 2nd Floor, Flat No. S-6, Tarabai Park, Kolhapur - 416 003 E Mail: Akshay_kotkar@pgbhagwatca.com Telephone: +(0231) - 2659546 FRN: 101118W/W100682 | 28/09/2021 | Due to Completion of Term |
| M/s DAB & Associates, Chartered Accountants Address: C. S. No. 221, B-1, E Ward, Rajhans Apartment, 2nd Floor, Flat No. S-6, Tarabai Park, Kolhapur - 416 003 E Mail: guruprasad_bobhate@dabassociates.in Telephone: (0231) - 2659546 FRN: 101119W | 28/09/2021 | Appointment as Statutory Auditors |

BANKERS TO THE ISSUE/ REFUND BANK

[•]

Designated Intermediaries:

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

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

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue will be less than ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Underwriting Agreement

Our Company may enter into an Underwriting Agreement with Underwriter(s) for underwriting the Rights Equity Shares prior to the filing of the Letter of Offer with the Stock Exchanges. The details of such Underwriting Agreement, if entered into, shall be included in the Letter of Offer to be filed with the SEBI and the Stock Exchanges. Our Company shall ensure that the Underwriter appointed shall have sufficient resources to enable them to discharge their underwriting obligations in full.

Minimum Subscription

Our Promoters and Promoter group informed us that they may renounce their Rights Entitlement in favour of third parties or among members of Promoter Group. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchanges.

Since, our Promoters and Promoter group members may decide to renounce their Right Entitlement, therefore the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations may apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate as prescribed under the applicable laws.

EXPERTS

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 DAB & Associates., Chartered Accountants, to include their name in this Draft 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 Draft Letter of Offer.

Our Company has received a written consent from M/s DAB & Associates., Chartered Accountants, to include their name in this Draft 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 independent chartered accountants of our Company and in respect of the inclusion of the statement of special tax benefits

dated April 28, 2024, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

ISSUE SCHEDULE:

| Event | Indicative Date |
|------------------------------------------------------------------------------------|-----------------|
| Issue Opening Date | [•] |
| Last Date for On Market Renunciation of Rights** | [•] |
| Issue Closing Date* | [•] |
| Finalizing the basis of allotment with the Designated Stock Exchange (on or about) | [•] |
| Date of Allotment (on or about) | [•] |
| Date of credit (on or about) | [•] |
| Date of listing (on or about) | [•] |

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

#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 further details, please see the chapter titled “Terms of the Issue” beginning on page no. 120 of Draft Letter of Offer.

CAPITAL STRUCTURE

Share capital of our Company, as on the date of filing of this Draft Letter of Offer with National Stock Exchange of India Limited after giving effect to the Issue is set forth below: -

| Particulars | | Aggregate Value at Face Value (₹ in Lakh) | Aggregate Value at Issue Price (₹ in Lakh) |
|-------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|
| A | Present Authorized Share Capital | | |
| | 1,70,00,000 Equity shares of face value of ₹10.00 each | 1700.00 | NA |
| | 13,00,000 10% Cumulative Redeemable Preference Shares of face value of ₹100.00 each | 1300.00 | |
| B | Present Issue, Subscribed and Paid-up Capital | | |
| | 14130000 Equity shares of face value of ₹10.00 each | 1413 | NA |
| | 1071000 10% Cumulative Redeemable Preference Shares of face value of ₹100.00 each | 1071 | |
| C | Present Issue in terms of this Draft Letter of Offer | | |
| | Upto [●] Right Equity Shares of Face Value of ₹ 10.00 each for cash at a price of ₹ [●]/- per Equity Share* | [●] | [●] |
| D | Issued, Subscribed and Paid-Up Equity Share Capital after this Issue** | | |
| | Upto [●] Equity Shares of Face Value of ₹ 10.00 each | [●] | [●] |
| | Securities Premium Account | (₹in Lakh) | |
| | Before the Issue | 2255.72 | |
| | After the Issue | [●] | |

* Assuming full acceptance and Subject to finalization of Basis of Allotment, Allotment and deduction of Issue Expenses.

The present Issue has been authorized by the Board of Directors pursuant to a resolution passed at its meeting held on March 14, 2024 under Section 62(1)(c) of the Companies Act 2013.

For further details, please refer to the Chapter titled “Issue Information” on page 29 of this Draft Letter of Offer. Our Company has no outstanding convertible instruments as on the date of this Draft Letter of Offer.

NOTES TO THE CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoters and Promoter Group

Our Promoters and Promoter group informed us that they may renounce their Rights Entitlement in favour of third parties or among members of Promoter Group. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchanges.

Since, our Promoters and Promoter group members may decide to renounce their Right Entitlement, therefore the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations may apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate as prescribed under the applicable laws.

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations. As such, other than meeting the requirements indicated in the chapter titled “Objects of the Issue” at page 38 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares. In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

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 or 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.

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

The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI LODR Regulations

- a) The shareholding pattern of our Company as on March 31, 2024, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/synergy-green-industries-ltd/sgil/541929/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SGIL>
 - b) Statement showing holding of Equity Shares of the Promoter and Promoter Group including details of lock- in, as on March 31, 2024 can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/synergy-green-industries-ltd/sgil/541929/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SGIL>
 - c) 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 March 31, 2024 can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/synergy-green-industries-ltd/sgil/541929/shareholding-pattern/> and NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SGIL>
4. Our Company shall ensure that any transaction in the securities of our Company by our Promoter and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
 5. At any given time, there shall be only one denomination of the Equity Shares of our Company.
 6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.
 7. There will be no further issue of Equity Shares whether by way of a public issue, qualified institutions placement, issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Letter of Offer with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
 8. Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital as on **March 31, 2024** is as follows:

| Sr. No | Name of Equity Shareholders | No of Equity Shares held | Percentage of Equity Shares held (%) |
|--------|---------------------------------------|--------------------------|--------------------------------------|
| 1 | Sachin Rajendra Shirgaokar | 740228 | 5.24 |
| 2 | Radhika Sanjeev Shirgaokar | 1484706 | 10.51 |
| 3 | Shishir Suresh Shirgaokar | 185964 | 1.32 |
| 4 | Vendavagali Srinivasa Reddy | 1465600 | 10.37 |
| 5 | S B Reshellers Private Limited | 5409964 | 38.29 |
| 6 | D M Shirgaokar Enterprises LLP | 200866 | 1.42 |
| 7 | V S Shirgaokar Enterprises LLP | 145000 | 1.03 |
| 8 | Massachusetts Institute of Technology | 364000 | 2.58 |
| 9 | Ashika Global Finance Pvt. Ltd. | 512944 | 3.63 |

9. Except as disclosed below, our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Draft Letter of Offer with Designated Stock Exchange except the following:

| Sr. No. | Name of the Promoter & Promoter Group | Category | Date of Acquisition | Mode of Acquisition | No. of Equity Shares |
|----------------|--------------------------------------------------|-----------------|----------------------------|----------------------------|-----------------------------|
| 1 | Tarini Sanat Shirgaokar | Promoter Group | March 06, 2024 | From Open Market | 73 |

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our company proposes to utilize the net proceeds from the issue towards funding the following objects: -

1. Capital expenditure for enhancement of present foundry capacity of 30,000 MT/Annum to enhance the foundry capacity up to 45,000 MT/Annum.
2. Capital Expenditure for setting up New Fettling Shop (Foundry Expansion) 45,000 MT/Annum Capacity at Five Star MIDC, Kagal, Kolhapur-416216, Maharashtra
3. Capital Expenditure to build 10,000 MT/Annum of new machining capacity at Five Star MIDC, Kagal, Kolhapur-416216, Maharashtra
4. Installation of Solar plant for Captive consumption
5. To meet General corporate purposes
6. To meet the expenses of the Issue.

(Collectively referred as the “objects”)

The main objects clause of our Memorandum of Association enables our Company to undertake (i) its existing activities; and (ii) the activities proposed to be funded from the Net Proceeds.

REQUIREMENTS OF FUNDS

We intend to utilise the Net Proceeds from Rights Issue in following manner;

| (Amount in Lakhs) | | | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------|
| Sr. No. | Description | Amount | % of Proceeds |
| 1. | Capital expenditure for enhancement of present foundry capacity of 30,000 MT/Annum to enhance the foundry capacity up to 45,000 MT/Annum. | 884.75 | - |
| 2. | Capital Expenditure for setting up New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity | 501.00 | - |
| 3. | Capital Expenditure to build 10,000 MT/Annum of machining capacity | 1445.45 | - |
| 4. | Installation of Solar plant for Captive consumption | 707.80 | - |
| 5. | General Corporate Expenses | [●]* | [●] |
| Total | | [●] | [●] |

* The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Summary of source of funds:

| (Amount in Lakhs) | | | | | |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------|------------------|-------------|
| Sr. No. | Particulars | Amount Required | From Issue Proceeds | Internal Accrual | Borrowings* |
| 1. | Capital expenditure for enhancement of Moulding & Melting of the existing Foundry 30,000 MT/Annum to enhance the foundry capacity up to 45,000 MT/Annum. | 2066.47 | 884.75 | 148.48 | 1033.24 |
| 2. | Capital Expenditure for setting up New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity with area admeasuring 8400 Sq. Meters. In Kagal Hatkanangale Five Star Industrial Area, District Kolhapur. | 2696.62 | 501.00 | 495.12 | 1700.50 |
| 3. | Capital Expenditure to build 10,000 MT/Annum of machining capacity with area admeasuring 9541 Sq. Meters. In Kagal Hatkanangale Five Star Industrial Area, District Kolhapur. | 7779.89 | 1445.45 | 1428.46 | 4905.98 |
| 4. | Installation of Solar plant for Captive consumption | 3219.94 | 707.80 | 683.21 | 1828.93 |
| 5. | General Corporate Purpose | [●] | [●] | [●] | [●] |
| Total | | [●] | [●] | [●] | [●] |

* Our company has submitted the proposal for loan to the tune of Rs 9500.00 Lacs for expansion project to the Saraswat Co-operative Bank Ltd and bank vide its letter dated 06/05/2024 acknowledge the same and the Saraswat Co-operative Bank Ltd. has confirmed to expedite the matter of sanction.

UTILIZATION OF NET ISSUE PROCEEDS

The details of Rights Issue proceeds are summarised below;

| | (Amount in Lakhs) |
|-------------------------------|-------------------|
| Description | Amount |
| Gross Proceeds | [●] |
| Less: Issue related Expenses* | [●] |
| Net Proceeds* | [●] |

*Amounts will be finalised and incorporated in the Letter of Offer on determination of Issue Price.

MEANS OF FINANCE

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

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

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

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

Details of the Objects:

1. Capital expenditure for enhancement of present foundry capacity of 30,000 MT/Annum to enhance the foundry capacity up to 45,000 MT/Annum.

Present foundry capacity is 30,000 MT/Annum. Considering the present favorable renewable energy market conditions resulting new customer additions, it is being planned for a brown field expansion by adding another moulding production line in present fettling & inspection area and relocate these fettling & inspection areas to separate shop to enhance the foundry capacity up to 45,000 MT/Annum. Approximately Rs 2066.47 Lakhs investment is estimated for this expansion.

| | (Amount in Lakhs) |
|---------------------|-------------------|
| Particulars | Amount |
| Civil Work | 376.41 |
| Plant and Machinery | 1690.06 |
| Total | 2066.47 |

- Civil work

(Amount in Lakhs)

| Description | Supplier Name | Category | Cost | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|--------------------------------------------------------------|---------------------------------|---------------------------------|--------|-------------------|-------------------|------------------|
| Building Structural Strengthening | Fayas Engineers and erectors | Existing Unit Foundry Expansion | 187.00 | 220.16 | 14.05.2024 | 31.07.2024 |
| Civil Work of 3M *4M Moulding Line | Adityaraj Builders & Developers | Existing Unit Foundry Expansion | 20.93 | 24.70 | 24.04.2024 | 31.07.2024 |
| Civil Work of Mixer and other foundation | Adityaraj Builders & Developers | Existing Unit Foundry Expansion | 15.25 | 17.99 | 24.04.2024 | 31.07.2024 |
| Old Shakeout Civil Work | Adityaraj Builders & Developers | Existing Unit Foundry Expansion | 40.72 | 48.06 | 24.04.2024 | 31.07.2024 |
| Bay 4 Pouring Pit Civil Work 60 Mtr X 10 Mtr X 1.5 Mtr Depth | Adityaraj Builders & Developers | Existing Unit Foundry Expansion | 55.51 | 65.50 | 24.04.2024 | 31.07.2024 |
| Total | | | | 376.41 | | |

• **Plant & Machinery**

(Amount in Lakhs)

| Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|----------------------------------------------------------------------------|-----------------------------------|---------------------------------|---------------|-----|-------------------|-------------------|------------------|
| 80/30MT Crane Supply & Erection | Federal Engineers | Existing Unit Foundry Expansion | 266.00 | 1 | 313.88 | 14.05.2024 | 31.07.2024 |
| 50/15M T Crane Supply & Erection | Zeemag Industries | Existing Unit Foundry Expansion | 140.00 | 1 | 165.20 | 14.05.2024 | 31.07.2024 |
| 50 MT Mixer along with accessories | MCM Foundry | Existing Unit Foundry Expansion | 172.62 | 1 | 172.62 | 25.05.2024 | 31.07.2024 |
| 40MT Ladle | Fuel Furnaces Manufacturers | Existing Unit Foundry Expansion | 42.00 | 1 | 49.56 | 07.03.2024 | - |
| 20M T Lip Pouring Ladle with bottom arrangement | Fuel Furnaces Manufacturers | Existing Unit Foundry Expansion | 24.00 | 1 | 28.62 | 14.05.2024 | 31.07.2024 |
| 4MT Lip Pouring ladle | The Wesman Engineering Co Pvt Ltd | Existing Unit Foundry Expansion | 4.88 | 1 | 5.76 | 08.05.2024 | - |
| Bay 3 Pouring Pit with 1 Mtr deep , 18 mtr Width | Adityaraj Builders & Developers | Existing Unit Foundry Expansion | 55.18 | 1 | 65.12 | 23.04.2024 | 31.07.2024 |
| 30M T Mixer Installation & Erection | Fayas Engineering & Erectors | Existing Unit Foundry Expansion | 15.12 | 1 | 17.84 | 24.04.2024 | 31.07.2024 |
| Fabrication of Moulding Line Stations along with bolster plates 8 Stations | M & K Industries Pvt Ltd. | Existing Unit Foundry Expansion | 240.00 | 1 | 283.20 | 25.04.2024 | 25.07.2024 |
| Erection of | Fayas Engineering & | Existing Unit Foundry | 15.12 | 1 | 17.84 | 24.04.2024 | 31.07.2024 |

| Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|------------------------------------------------------------------------------------|----------------------------------|---------------------------------|---------------|-----|-------------------|-------------------|------------------|
| Moulding Line | Erectors | Expansion | | | | | 24 |
| Fabrication & Erection of Mixer Silos, Belt Conveyors, Mechanical Sand Reclamation | Fayas Engineering & Erectors | Existing Unit Foundry Expansion | 125.55 | 1 | 148.15 | 24.04.2024 | 31.07.2024 |
| Mould Boxes | S.B. Reshellers Pvt Ltd | Existing Unit Foundry Expansion | 300.00 | 1 | 354.00 | 21.04.2024 | 31.07.2024 |
| Shakeout Filter | Anuje industries Pvt | Existing Unit Foundry Expansion | 17.00 | 1 | 20.06 | 21.04.2024 | |
| Magma Software Upgradation | Magma Engineering India Pvt Ltd. | Existing Unit Foundry Expansion | 40.86 | 1 | 48.21 | 23.02.2024 | - |
| Total | - | | | | 1690.06 | | |

Confirmation regarding Purchase of Second-Hand Machines:

We have obtained quotations for new machinery for the project. However, it is important to note that we may also consider procuring second-hand equipment using the net proceeds from the Rights Issue, provided we have the opportunity to purchase high-quality second-hand machines at a lower cost without compromising on performance.

2. Capital Expenditure for setting up New Fettling Shop (Foundry Expansion) 45,000 MT/Annum Capacity at Five Star MIDC, Kagal, Kolhapur-416216, Maharashtra

Presently all the fettling activities are done at existing foundry and as we are enhancing the present foundry capacity of 30,000 MT/Annum to 45,000 MT/Annum. We are shifting all the existing fettling facilities to new foundry & increased foundry capacity needs additional fettling capacity. Further there is an increasing trend for bigger turbines and needs higher configuration machines. Hence, Rs.2696.62 Lakhs investment is estimated to establish New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity including amount to the tune of Rs.26.95 Lakhs for contingency.

We required to incur following capital expenditure to set up the New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity.

| Particulars | Amount (in Lakhs) |
|---------------------|-------------------|
| Land | 460.69 |
| Civil Work | 1132.03 |
| Plant and Machinery | 1076.95 |
| Contingency | 26.95 |
| Total | 2696.62 |

• Land

(Amount in Lakhs)

| Sr. No. | Description | Transferor Name | Category | Cost | Total Cost+ Taxes | Date of Acquisition/Agreement |
|---------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|--------|-------------------|-------------------------------|
| 1 | MOU of Land Plot No. F-6 area admeasuring 17,941.00 Sq. Meters. in Kagal Hatkanangale Five Star Industrial Area, District Kolhapur | Annapurna Machinenfabrik Private Limited | New Fettling Shop & Machine Shop | 219.43 | 258.92 | March 03, 2024 |
| 2 | Building, Land Development Charges and Documentation & Legal Fees etc. | | | | 75.51 | |

| | | | | | | |
|---|--------------------------------------------------------------------------------------------------------------|---------------------------------------|--|--------|---------------|----------------------------------|
| 3 | Land Plot No. F-7 area admeasuring 1 Acre in Kagal Hatkanangale Five Star Industrial Area, District Kolhapur | Deccan Farm Equipment Private Limited | | 107.00 | 126.26 | Date of Quotation - May 28, 2024 |
| | Total | | | | 460.69 | |

- Civil**

(Amount in Lakhs)

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|-------------------------------------------------------------------------------|----------------------------------|-------------------|---------------|-----|-------------------|-------------------|------------------|
| 1 | Civil Building 44 MtrX 100 Mtr | Adityaraj Builders & Developers | New Fettling Shop | 319.57 | 1 | 377.09 | 16.04.2024 | 31.07.2024 |
| 2 | PEB Shed 44 Mtr X 100 Mtr | M and K Building Systems Pvt Ltd | New Fettling Shop | 280.45 | 1 | 330.93 | 19.04.2024 | 24.07.2024 |
| 3 | Civil Work for Substation along with Fensing | Adityaraj Builders & Developers | New Fettling Shop | 3.00 | 1 | 3.54 | 24.04.2024 | 31.07.2024 |
| 4 | Civil Work for Compressor, Panelroom, Maintenance, Stores and Adm | Adityaraj Builders & Developers | New Fettling Shop | 42.86 | 1 | 50.57 | 24.04.2024 | 31.07.2024 |
| 5 | Civil Work for STP & Water tank | Adityaraj Builders & Developers | New Fettling Shop | 12.64 | 1 | 14.92 | 24.04.2024 | 31.07.2024 |
| 6 | Compound Wall & Land Development including Road, Street light, Gardening Work | Adityaraj Builders & Developers | New Fettling Shop | 150.00 | 1 | 177.00 | 24.04.2024 | 31.07.2024 |
| 7 | Admin Building , Canteen, Utility, Toilets, OHC | Adityaraj Builders & Developers | New Fettling Shop | 150.83 | 1 | 177.98 | 24.04.2024 | 31.07.2024 |
| | Total | | | | | 1132.03 | | |

* This amount includes GST. Further, some of the quotations obtained are in foreign currencies. The conversion rates as of: April 22, 2025 (a) EUR 1.00 = ₹ 88.96;

- Plant & Machinery**

(Amount in Lakhs)

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|---------------------------------------------------------|-------------------------------------|-------------------|---------------|-----|-------------------|-------------------|------------------|
| 1 | Existing Equipment Shifting HTF,Painting, Shot Blasting | M & K Industries Pvt Ltd. | New Fettling Shop | 60.00 | 1 | 70.80 | 23.04.2024 | 23.07.2024 |
| 2 | Cranes 50MT | Excellent Handling Systems Pvt Ltd. | New Fettling Shop | 114.97 | 2 | 271.34 | 22.04.2024 | 22.07.2024 |
| 3 | Cranes 30MT | Excellent Handling Systems Pvt Ltd. | New Fettling Shop | 83.02 | 2 | 195.94 | 22.04.2024 | 22.07.2024 |
| 4 | Power Enhancement, Electrical Work Load Extension, | Deccan Electro Works Pvt. Ltd | New Fettling Shop | 94.87 | 1 | 111.95 | 22.04.2024 | 31.07.2024 |

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|-------------------------------------------------------------------|---------------------------------|-------------------|---------------|-----|-------------------|-------------------|------------------|
| | Substation, APFC, PDB, Cabling Shed Light, Transformer, Auxillary | | | | | | | |
| 5 | STP Equipment 201<LPT | Nirmal Aqua Solutions | New Fettling Shop | 17.35 | 1 | 20.47 | 22.04.2024 | 31.07.2024 |
| 6 | Hydrant System along with machine & Fettling shed sprinklers | VNS Enterprises | New Fettling Shop | 58.00 | 1 | 68.44 | 26.04.2024 | 31.07.2024 |
| 7 | DG Set 5001<VA | Powerica | New Fettling Shop | 41.70 | 1 | 49.21 | 23.04.2024 | 23.07.2024 |
| 8 | p NG | RYTS Technovision LLP | New Fettling Shop | 7.66 | 1 | 9.03 | 18.04.2024 | 31.07.2024 |
| 9 | Compressor 678 CFM | Ingersoll Rand | New Fettling Shop | 35.93 | 1 | 42.40 | 29.05.2024 | 31.07.2024 |
| 10 | Civil Work of DISA Shot Blasting Machine | Adityaraj Builders & Developers | New Fettling Shop | 50.77 | 1 | 59.91 | 24.04.2024 | 31.07.2024 |
| 11 | Modification of DISA SBM including Fabrication, Filters Ducting | Fayas Engineering & Erectors | New Fettling Shop | 50.40 | 1 | 59.47 | 24.04.2024 | 31.07.2024 |
| 12 | New Automatic Shot Blasting Machine | General Engineering Company | New Fettling Shop | 100.00 | 1 | 118.00 | 01.05.2024 | 01.08.2024 |
| | Total | | | | | 1076.95 | | |

Confirmation regarding Purchase of Second-Hand Machines:

We have obtained quotations for new machinery for the project. However, it is important to note that we may also consider procuring second-hand equipment using the net proceeds from the Rights Issue, provided we have the opportunity to purchase high-quality second-hand machines at a lower cost without compromising on performance.

3. Capital Expenditure to build 10,000 MT/Annum of machining capacity at Five Star MIDC, Kagal, Kolhapur-416216, Maharashtra.

Presently all the machining activities are outsourced and majority of the vendors are based out of Chennai to support south based clients. There is a need for establishing an in-house machining facility considering following aspects and Rs.7779.89 Lakhs investment is estimated to build 10,000 MT/Annum of machining capacity including amount to the tune of Rs.77.77 Lakhs for contingency.

- i. Increased foundry capacity needs additional machining capacity. Further there is an increasing trend for bigger turbines and needs higher configuration machines
- ii. New customers like Senvion, GE, Adani & Envision are based out of western India and establishing machining facilities in Kolhapur will minimize logistic costs.
- iii. In-house facility will improve PBDIT margins with savings in outsourcing costs and machining scrap recycling. This will also reduce the inventory turnaround time with reduction of process lead-time.

We required to incur following capital expenditure to set up the 10,000 MT/Annum of machining capacity.

| Particulars | Amount (in Lakhs) |
|---------------------|-------------------|
| Land | 460.69 |
| Civil Work | 919.18 |
| Plant and Machinery | 6322.26 |
| Contingency | 77.77 |
| Total | 7779.89 |

- Land

(Amount in Lakhs)

| Sr. No. | Description | Transferor Name | Category | Cost | Total Cost+ Taxes | Date of Acquisition/Agreement |
|---------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|--------|-------------------|----------------------------------|
| 1 | MOU of Land Plot No. F-6 area admeasuring 17,941.00 Sq. Meters. in Kagal Hatkanangale Five Star Industrial Area, District Kolhapur | Annapurna Machinenfabrik Pvt. ltd | New Fettling Shop & Machine Shop | 219.43 | 258.92 | March 03, 2024 |
| 2 | Building, Land Development Charges and Documentation & Legal Fees etc. | | | | 75.51 | |
| 3 | Land Plot No. F-7 area admeasuring 1 Acre in Kagal Hatkanangale Five Star Industrial Area, District Kolhapur | Deccan Farm Equipment Pvt. ltd | | 107.00 | 126.26 | Date of Quotation - May 28, 2024 |
| | Total | | | | 460.69 | |

- Civil

(Amount in Lakhs)

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|-------------------------------------------|----------------------------------|--------------|---------------|-----|-------------------|-------------------|------------------|
| 1 | PEB Shed Civil Work (Area : 5720 sq MTR) | Adityaraj Builders & Developers | Machine Shop | 415.44 | 1 | 490.22 | 16.04.2024 | 31.07.2024 |
| 2 | PEB Shed Fabrication (Area : 5775 Sq MTR) | M and K Building Systems Pvt Ltd | Machine Shop | 363.52 | 1 | 428.95 | 19.04.2024 | 24.07.2024 |
| | Total | | | | | 919.18 | | |

* This amount INCLUDESs GST. Further, some of the quotations obtained are in foreign currencies. The conversion rates as of: April 22, 2025 (a) EUR 1.00 = ₹ 88.96;

- Plant & Machinery

(Amount in Lakhs)

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|------------------------------------------------------------------------------------|-------------------------------------|-----------------------------|---------------|-----|-------------------|-------------------|------------------|
| 1 | 50 MT EOT DOUBLE GIRDER CRANE including crane rail busbar erection, transportation | Excellent Handling Systems Pvt Ltd. | New Facility - Machine Shop | 114.97 | 2 | 271.34 | 22.04.2024 | 22.07.2024 |
| 2 | Floor Type HBM Model No.WRF160 | Fermat | New Facility - Machine Shop | 1508.64 | 2 | 3017.28 | 22.04.2024 | 22.07.2024 |

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Qty | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|------------------------------------------------------------------------------|---------------------------------|-----------------------------|---------------|-----|-------------------|-------------------|------------------|
| | CNC | | | | | | | |
| 3 | Table Type HBM Model No.WFT15R CNC | Fermat | New Facility - Machine Shop | 965.35 | 2 | 1930.71 | 22.04.2024 | 22.07.2024 |
| 4 | Machine Foundation | Adityaraj Builders & Developers | New Facility - Machine Shop | 25.03 | 4 | 118.14 | 24.04.2024 | 31.07.2024 |
| 5 | Shot Blast booth Paintbooth, Metallising Booth & Infrared gas cataletic oven | Prisum Sur | New Facility - Machine Shop | 250.00 | 1 | 295.00 | 28.05.2024 | 28.08.2024 |
| 6 | Quality Instruments Other Measuring Instruements | Samarth Sales/ Faro Arm | New Facility - Machine Shop | 84.83 | 1 | 100.10 | 21.04.2024 | 31.07.2023 |
| 7 | Quality Instruments Tool Prsetter | KS Engineering | New Facility - Machine Shop | 23.00 | 1 | 27.14 | 25.04.2024 | 25.07.2024 |
| 8 | Fixtures | Micronix | New Facility - Machine Shop | 194.62 | 1 | 229.65 | 23.04.2024 | 23.07.2024 |
| 9 | Tools | Taegutec | New Facility - Machine Shop | 70.53 | 4 | 332.90 | 22.04.2024 | - |
| | Total | | | | | 6322.26 | | |

Confirmation regarding Purchase of Second-Hand Machines:

We have obtained quotations for new machinery for the project. However, it is important to note that we may also consider procuring second-hand equipment using the net proceeds from the Rights Issue, provided we have the opportunity to purchase high-quality second-hand machines at a lower cost without compromising on performance.

4. Installation of Solar plant for Captive consumption:

Presently majority of energy consumption for casting production is coming from conventional sources and costing around Rs 9.50/Unit. Captive Solar plants operating costs is almost 1/3rd of above and gives good return on investments. This will also hedge against future power tariff escalations. There is a lot of push from all western customers to move towards carbon neutrality and this investment will assist to move in this direction and make the organization more sustainable. During FY 2023-24, 2.0 MW solar capacity established and planned to establish another 8.0 MW will take the total capacity to 10.0 MW and will take care of 1/3rd of energy need. This new 8.0 MW capacity addition requires around Rs 3219.00 Lakhs of investment. Which is as follows.

• **Solar plant**

(Amount in Lakhs)

| Sr. No. | Description | Supplier Name | Category | Cost per unit | Quantity | Total Cost+ Taxes | Date of Quotation | Date of Validity |
|---------|----------------------|---------------|-------------|---------------|----------|-------------------|-------------------|------------------|
| 1 | 8MW Solar Renewables | IB Vogt | Solar Plant | 2896.00 | 1 | 3,219.94 | 14.05.2024 | 31.07.2024 |
| | Total | | | | | 3,219.94 | | |

Schedule of Implementation

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

(Amount in Lakhs)

| Sr. No. | Description | Amount | FY 2024-25* |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------|
| 1. | Capital expenditure for enhancement of present foundry capacity of 30,000 MT/Annum to enhance the foundry capacity up to 45,000 MT/Annum. | 884.75 | 884.75 |
| 2. | Capital Expenditure for setting up New Fettling shop (Foundry Expansion) 45,000 MT/Annum Capacity | 501.00 | 501.00 |
| 3. | Capital Expenditure to build 10,000 MT/Annum of machining capacity | 1445.45 | 1445.45 |
| 4. | Installation of Solar plant for Captive consumption | 707.80 | 707.80 |
| 5. | General Corporate Expenses | [●] | [●] |
| 6. | Issue Expenses | [●] | [●] |
| | Total | [●]# | [●] |

*To the extent our Company is unable to utilize any portion of the Proceeds towards the Objects as per the estimated schedule of deployment specified above, same shall be deployed in the subsequent Financial Years towards the Objects.

#To be finalized upon determination of the Issue Price and updated in the Letter of Offer. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

5. General Corporate Expenses

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Letter of offer, shall not exceed 25% of the amount raised by our Company through this Issue.

6. Issue Related Expenses

The estimated Issue related expenses include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●] of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

| Activity | Expense (Amount in Lakhs) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Secretarial work etc. | [●] |
| Depository Fees | [●] |
| Stock Exchange Fees | [●] |
| Statutory Advertisement | [●] |
| Other Issue related expenses like Escrow bankers, Registrar & Transfer agent fees and IT system Audit for (rights issue) * | [●] |
| Total Estimated Issue Expenses# | [●] |

*Included Commission/processing fees for SCSB, Brokerage and selling commission

#Amounts will be finalised and incorporated in the Letter of Offer on determination of Issue Price.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing:

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds.

Funds Deployed and Source of Funds:

Our Statutory Auditors M/s. DAB & Associates, Chartered Accountants, Chartered Accountants vide their certificate dated June 05, 2024 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

| Sr. No. | Particulars | Total Estimated Cost | Amount to be funded from the Net Issue (₹ in Lakhs) | Amount already deployed (₹ in Lakhs) | Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial Year 2024-2025)* |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------|
| 1. | Capital expenditure for enhancement of present foundry capacity of 30,000 MT/Annum to enhance the foundry capacity up to 45,000 MT/Annum. | 2066.47 | 884.75 | 0.00 | 2066.47 |
| 2. | Capital Expenditure for setting up New Fettling shop (Foundry Expansion) 45,000 MT/Annum capacity with area admeasuring 8971 Sq. Meters. In Kagal Hatkanangale Five Star Industrial Area, District Kolhapur. | 2696.62 | 501.00 | 216.42 | 2696.62 |
| 3. | Capital Expenditure to build 10,000 MT/Annum of machining capacity with area admeasuring 8970 Sq. Meters. In Kagal Hatkanangale Five Star Industrial Area, District Kolhapur. | 7779.89 | 1445.45 | 216.42 | 7779.89 |
| 4. | Installation of Solar plant for Captive consumption | 3219.94 | 707.80 | 0.00 | 3219.94 |
| 4. | General Corporate Purpose | [•] | [•] | [•] | [•] |
| 5. | Public Issue Expense | [•] | [•] | 23.60 | [•] |
| | Total | [•] | [•] | 456.44 | [•] |

Up to June 05, 2024 Our company has deployed/ Incurred expense of 4,56,44,300 towards part payment of land and Issue Expenses out of internal accrual duly certified by Our Statutory Auditors M/s. DAB & Associates, Chartered Accountants, Chartered Accountants vide their certificate dated June 05, 2024.

Appraisal by Appraising Agency:

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Interim Use of Funds:

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring & Utilization of Funds:

As the size of the Issue does not exceed Rs. 100.00 Crores, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on quarterly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Letter of offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Variation in Objects;

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations:

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

Approvals

The company has Permissions foundry capacity of 30,000 MT/Annum, new permissions for foundry capacity of 60,000 MT/Annum is under process with Maharashtra Pollution Control Board (MPCB) approval. Further all the government approval for the new plant will be taken in due course once the company will receive the title land.

Power

In relation to the Expansion Project, our Company already has connection of Maharashtra State Electricity Distribution Co. Ltd. Electricity Connection of 11567 KW and post the expansion only consumption will increase, so no new connection is required.

In respect to new plant power connection will be taken from Maharashtra State Electricity Distribution Co. Ltd. (Electricity Connection) in due course once the company will receive the title of land.

Water

In relation to the Expansion Project, our Company already has connection of Maharashtra Industrial Development Corporation (MIDC) Water Connection of size 50 mm dia with 50 mm dia water meter chargeable at minimum 24 Cub. Meter per day and post the expansion only consumption will increase, so no new connection is required.

In respect to new plant water connection, it will be taken from Maharashtra Industrial Development Corporation (MIDC) in due course once the company will receive the title of land.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Synergy Green Industries Limited

392 E Ward Shahupuri, Kolhapur, Maharashtra, India, 416001

Re: Rights issue of equity shares of face value of ₹10 each (the “Equity Shares”) of Synergy Green Industries Limited (the “Company”) under Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), and the Companies Act, 2013, as amended (the “Companies Act, 2013”) (“Rights Issue”)

Dear Sir/Madam

1. We have been requested by SYNERGY GREEN INDUSTRIES LIMITED, Kolhapur to issue a report on the Special Tax Benefits available to the Company, (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) and its shareholders attached for inclusion in the Letter of Offer in connection with the proposed Rights Issue of Equity Shares of the Company (the "Issue").

Management’s Responsibility for the Statement

2. The management of the SYNERGY GREEN INDUSTRIES LIMITED, Kolhapur is responsible to prepare the statement.

Auditor’s Responsibility

3. It is our responsibility to express that our opinion on whether the particular in the statement is true and correct based on our examination of financial information provided by the management to us for verification.
4. We conducted our examination of the financial information in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
5. 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.

Opinion

6. Based on our examination as above, and to the best of our knowledge, and according to the information and explanations given to us, we report that the particulars in the statement are true and correct and agree with records and financial information of SYNERGY GREEN INDUSTRIES LIMITED, Kolhapur.
7. We do not express any opinion or provide any assurance whether:
 - i. The Company or the Shareholders of the Company will continue to obtain these benefits in future.
 - ii. The conditions prescribed for availing the benefits have been/would be met.
 - iii. There Revenue authorities/courts will concur with the views expressed herein.

Restriction on Use

1. This certificate is addressed and provided to SYNERGY GREEN INDUSTRIES LIMITED, Kolhapur. solely for information and the inclusion in the Letter of Offer in connection with the Rights Issue of Equity Shares of the Company. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.
2. Our work was performed solely to assist you in meeting with responsibilities in relation to your compliance with the Rules (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

Yours Faithfully

For M/s DAB & Associates
Chartered Accountants
Firm’s Registration No.: 101119W

SD/-

Guruprasad Bobhate
Partner
Membership No.: 198670
UDIN – 24198670BKGQQE4687

Date: 28/04/2024
Place: Kolhapur

Enclosed:- Statement & Annexure

Statement: -

The statement showing the current position of Special Tax Benefits available to the Company, and the Shareholders of the Company as per the provisions of Income Tax Act, 1961 ("the IT Act") and the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017 relevant State Goods and Services Tax Act ("SGST") read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (herein collectively referred as "Indirect Tax Laws") as amended by Finance Act, 2023, i.e. applicable for the Assessment Year 2025-26 relevant to the Financial Year 2024-25 for inclusion in the Letter of Offer ("LOF") for the issue of rights shares is annexed herewith.

These possible Special Tax Benefits are dependent on the Company and the Shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax Laws. Hence, the ability of the Company and the Shareholders of the Company to derive these Possible Special Tax Benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company and the Shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own Tax Consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SYNERGY GREEN INDUSTRIES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS: -

The information provided below sets out the Possible Special Direct Tax & Indirect Tax benefits available to the Company, and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and the Shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own Tax Consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26 (AY 2025-26) and Indirect Tax Laws as amended from time to time and applicable for financial year 2024-25.

I. Under the IT Act:

1. Special Tax Benefits available to the Company under the Act :-

- Lower Corporate Tax rate under Section 115BAA: -

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17 % (22 % plus surcharge of 10 % and cess of 4 %) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iii), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company has exercised the above option.

Section 80JJAA - Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Section 80M - Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such Company from another domestic Company or a Foreign Company or a Business Trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special Tax Benefits available to Shareholders: -

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other Domestic Company or a Foreign Company or a Business Trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other Domestic Company or Foreign Company or Business Trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:

- The above statement of Possible Special Tax Benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.
- The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars, and notifications, and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- The above statement of Possible Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
- As the Company has opted for concessional corporate income tax rate in previous years as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:
 - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
 - Deduction under clause (iia) of sub-section (I) of section 32 (Additional Depreciation)
 - Deduction under section 32 AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
 - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
 - Deduction under section 35CCD (Expenditure on skill development)
 - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M
- No set off from any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
- No set off from any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

1. Special Indirect Tax Benefits available to the Company

The Company is not entitled to any special tax benefits under indirect tax laws.

2. Special Tax Benefits available to Shareholders

The Shareholders of the Company are not entitled to any Special Tax Benefits under indirect tax laws.

NOTES:

- 1) These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- 2) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her Tax Advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- 3) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For M/s DAB & Associates
Chartered Accountants
Firm's Registration No.: 101119W

SD/-

Guruprasad Bobhate
Partner
Membership No.: 198670
UDIN – 24198670BKGQQE4687

Date: 28/04/2024
Place: Kolhapur

SECTION VI

ABOUT THE COMPANY

INDUSTRY OVERVIEW

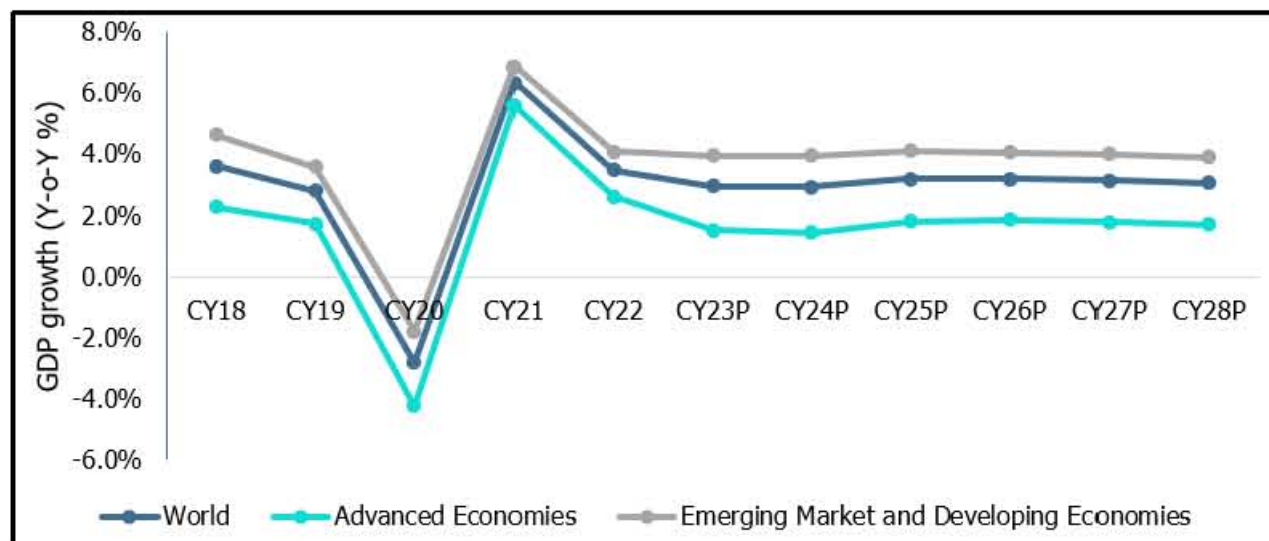
Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment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

❖ ECONOMIC OUTLOOK

• Global Economic Outlook

As per the International Monetary Fund ("IMF") World Economic Outlook growth projections released in October 2023, the global economic growth for 2022 stood at 3.5% on a year-on-year basis, down from 6.3% in 2021 due to disruptions resulting from the Russia-Ukraine conflict and higher than expected inflation worldwide. The global economic growth for 2023 is projected to slow down to 3.0% and 2.9% in 2024, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain constrained. For the four following years, the IMF projects world economic growth in the range of 3.0% - 3.2% on a year-on-year basis.

Global Growth Outlook Projections (Real GDP, year-on-year change in percentage)



Notes: P-Projection; Source: IMF – World Economic Outlook, October 2023

GDP growth trend comparison - India versus Other Emerging and Developing Economies (Real GDP, year-on-year change in percentage)

| | Real GDP (Y-o-Y change in %) | | | | | | | | | |
|---------------|------------------------------|------|------|------|-------|-------|-------|-------|-------|-------|
| | CY19 | CY20 | CY21 | CY22 | CY23P | CY24P | CY25P | CY26P | CY27P | CY28P |
| India | 3.9 | -5.8 | 9.1 | 7.2 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 |
| China | 6.0 | 2.2 | 8.5 | 3.0 | 5.0 | 4.2 | 4.1 | 4.1 | 3.7 | 3.4 |
| Indonesia | 5.0 | -2.1 | 3.7 | 5.3 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Saudi Arabia | 0.8 | -4.3 | 3.9 | 8.7 | 0.8 | 4.0 | 4.2 | 3.3 | 3.3 | 3.1 |
| Brazil | 1.2 | -3.3 | 5.0 | 2.9 | 3.1 | 1.5 | 1.9 | 1.9 | 2.0 | 2.0 |
| Euro Area | 1.6 | -6.1 | 5.6 | 3.3 | 0.7 | 1.2 | 1.8 | 1.7 | 1.5 | 1.3 |
| United States | 2.3 | -2.8 | 5.9 | 2.1 | 2.1 | 1.5 | 1.8 | 2.1 | 2.1 | 2.1 |

P- Projections; Source: IMF- World Economic Outlook Database (October 2023)

❖ INDIAN ECONOMIC OUTLOOK

• GDP growth and Outlook:

Resilience to External Shocks remains critical for near-term outlook

India's real GDP grew by 9.1% in Fiscal 2022 and stood at approximately ₹ 149 trillion despite the pandemic and geopolitical Russia-Ukraine spill overs. In the first quarter of Fiscal 2023, India recorded 13.1% year-on-year growth in real GDP, largely attributed to improved performance by the agriculture and services sectors. Following this growth, the second quarter of 2023 witnessed 6.2% year-on-year growth, while the third quarter of Fiscal 2023 registered 4.5% year-on-year growth. The slowdown during the second quarter of Fiscal 2023 and the third quarter of Fiscal 2023 compared to the first quarter of Fiscal 2023 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, the fourth quarter of Fiscal 2023 registered broad-based improvement across sectors compared to the third quarter of Fiscal 2023 with a growth of 6.1% year-on-year. The investments, as announced in the Union Budget for Fiscal 2023 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in Fiscal 2023. Supported by fixed investment and higher net exports, real GDP for Fiscal 2023 was valued at approximately ₹ 160 trillion, registering an increase of 7.2% year-on-year.

Furthermore, in the first quarter of Fiscal 2024, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favourable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the second quarter of Fiscal 2024, with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in the second quarter of Fiscal 2024.

On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in the first half of Fiscal 2024 compared to 5.3% in the second half of Fiscal 2023.

❖ GDP Growth Outlook

Driven by resilience in urban demand and the front loading of the government's capital expenditure, the first half of Fiscal 2024 witnessed strong growth. While festive cheer is likely to support urban demand in the third quarter of Fiscal 2024, the outlook for rural demand revival remains clouded amid monsoon deficiency and is likely to hit agricultural production. The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna are expected to provide some cushion and so far, investment demand has remained robust.

However, there could be some moderation in the second half of Fiscal 2024 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the second half of Fiscal 2024, India's overall GDP growth for Fiscal 2024 is expected to remain on a firm footing. Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports.

Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential. Taking all these factors into consideration, in December 2023, the RBI in its bi-monthly monetary policy meeting forecasted a real GDP growth of 7.0% year-on-year for Fiscal 2024.

RBI's GDP Growth Outlook (Year-on-year, in percentage)

| Fiscal 2024P (complete year) | Third quarter of Fiscal 2024P | Fourth quarter of Fiscal 2024P | First quarter of Fiscal 2025P | Second quarter of Fiscal 2025P | Third quarter of Fiscal 2025P |
|---------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| 7.0% | 6.5% | 6.0% | 6.7% | 6.5% | 6.4% |

P: Projected; Source: Reserve Bank of India

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of real GDP growth compared to other emerging economies. It is expected to grow at 6.3% in 2024, compared to the world real GDP growth projection of 3%.

The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, and improving business confidence. Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in Fiscal 2023. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

Further, as per the Indian Meteorological Department ("IMD"), rainfall witnessed a deficit until September 2023. A drop in yield due to irregular monsoons and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Moreover, the consumption demand is expected to pick up in the third quarter of Fiscal 2024 due to the festive season. Going forward, the rising domestic demand will be driven by the rural economy's performance and continual growth in urban consumption. However, high domestic inflation and global headwinds pose a downside risk to domestic demand.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about ₹ 10 lakh crore for Fiscal 2024. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private capital expenditure and investment cycle.

❖ **Union Budget FY 2023-24 provisions:**

The Indian Government emphasized green growth through programmes across economic sectors. The finance minister mentioned that India was moving forward firmly towards the 'panchamrit' goal and net-zero carbon emissions by 2070 to usher a green industrial and economic transition.

The Budget provided ₹35,000 Crore for priority capital investments towards energy transition and net zero objectives and energy security. To steer the economy towards sustainable development, the Government will support the creation of battery energy storage systems with capacity of 4,000 MWH with Viability Gap Funding. Further, the finance minister announced that a detailed framework for pumped storage projects would be formulated.

It was reiterated that the National Green Hydrogen Mission, with an outlay of ₹19,700 Crore, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports and make the country assume technology and market leadership in this sunrise sector with a green hydrogen production target of 5 MMT by 2030.

With this continued emphasis and these budget allocations, the renewable sector will be accelerated. As a renewable developer focused on helping India in its transition towards renewable energy, AGEL is uniquely positioned to grow sustainably. The support for battery storage solutions will enable a faster adoption of renewable energy. At Adani Green, our technology teams have been working on battery storage and pumped hydro opportunities.

The Union Budget for 2023-24 marks a significant milestone in laying the foundation for the Indian economy. With a substantial 33% increase in capital investment outlay to ₹10 lakh Crore, equivalent to 3.3% of GDP, the government is prioritizing energy transition, net-zero objectives and energy security. This investment will be directed toward key sectors, including inclusive development, productivity enhancement cum investment, sunrise opportunities, energy transition, climate action and investments financing.

❖ **GLOBAL WIND INDUSTRY OVERVIEW:**

The wind industry has enjoyed its third-best year. Nearly 78 GW of wind power capacity was added last year, the lowest level in the past three years but still the third highest year in history. This was achieved despite a challenging economic environment and a disrupted global supply chain, compounded by global health and energy crises. Globally, 77.6 GW of new wind power capacity was connected to power grids in 2022, bringing total installed wind capacity to 906 GW, a year-on-year (YoY) growth of 9%.

The onshore wind market added 68.8 GW worldwide last year, with China contributing 52%. Additions were 5% lower than the previous year. The slowdown in Latin America, Africa & the Middle East is partly responsible for the decline, but the primary reason is falling installations in the US. Despite finishing the year with a strong final quarter, the US wind industry commissioned only 8.6 GW of onshore wind capacity in 2022, due in part to supply chain constraints and grid interconnection issues. 8.8 GW of new offshore wind was fed into the grid last year, bringing total global offshore wind capacity to 64.3 GW by the end of 2022. New additions were 58% lower than the bumper year of 2021 but still made 2022 the second highest year in history for offshore wind installations.

The unprecedented twin challenges of ensuring secure and affordable energy supplies and meeting climate targets have propelled wind power development into an extraordinary new phase of ever faster growth. After a challenging year, the global wind market is ready to bounce back in 2023, exceeding 100 GW for the first time.

The world's top five markets for new installations in 2022 were China, the US, Brazil, Germany and Sweden. Altogether, they made up 71% of global installations last year, collectively 3.7% lower than 2021. This was primarily due to the world's two largest markets, China and the US, losing a combined 5% market share compared with the previous year – the second consecutive year that both countries have lost market share.

❖ **INDIAN WIND INDUSTRY OVERVIEW:**

India eyes global wind energy supply chain opportunities as it targets growth in capacity additions. In the midst of global uncertainty caused by the global COVID pandemic, the Russia-Ukraine war and recessionary pressures, India's continued political stability has provided strong support for the country's climate commitments. India has prioritized renewable energy, including wind power, in its long-term vision for transformation lifting expectations for a wind sector that experienced a slowdown in capacity additions in the recent past.

India's Central Electricity Authority (CEA) projects Ex-Bus electricity demand to grow 75% by 2031-32 from 2021-22 levels, and 170% by 2041-42. Demand is projected to increase by more than 90% in four out of the eight windiest states by the start of the next decade. The World Energy Outlook 2022 estimates demand to triple between 2021 and 2050.

India aspires to be a 5 trillion USD dollar economy by 2025 and aims to grow manufacturing GDP 15-fold between 2021 and 2047. It is also committed to achieving net zero by 2070. Renewable energy (excluding large hydro) already represents nearly 30% of India's installed power generation capacity, at 410 GW, with 10% of this capacity being wind energy. The combined impact of economic growth, net-zero goals and burgeoning electricity demand will result in a rapid increase in the share of renewable energy in the power generation mix. For wind power, India's target is to achieve a cumulative 140 GW of capacity by 2030.

❖ **Growth drivers:**

- **Demand for energy:** India is now the world's third largest energy consumer, with a significant increase in energy consumption since 2000. As the country recovers from the pandemic, it faces a dynamic phase in energy development. Rising incomes and improving living standards will drive the demand for appliances, air conditioners and vehicles. With a growing population and increasing urbanization, India needs to expand its power system equivalent to the size of the European Union to address rising electricity needs. (Source: IEA)
- **Climate change:** India's climate vulnerability is evident from its ranking in the Global Climate Risk Index. To tackle environmental challenges, the Indian government implemented energy-efficient initiatives like the Gram Ujala program, providing affordable LED bulbs to rural areas. With a focus on self-reliance, India aims to generate 500 GW of non-fossil green energy by 2030, reducing dependence on fossil fuels and mitigating climate change. These efforts align with India's commitment to a sustainable and resilient future.
- **Cost effective:** Renewable energy is cheaper than traditional energy sources, with no procurement costs and easy recovery of installation costs through generated revenue, due to declining transmission costs.
- **Geographical advantage:** India's tropical climate, high solar irradiation, extensive coastline and strong winds offer significant potential for developing renewable energy resources.
- **Scalable:** Renewable energy is a scalable and effective solution to combat global warming. It is a clean and sustainable energy source that is easier to install than traditional sources.
- **Government support:** The Indian government actively encourages the adoption of renewable energy and acknowledges its potential to meet the country's growing power demand while ensuring environmental sustainability. It has introduced solar parks under the 'Make in India' initiative, provides customs and excise duty provisions for solar rooftops and offers incentives to promote private sector investments.
- **Favourable foreign investments:** India's favorable policy regime and robust business environment have attracted foreign capital into renewable energy projects. The government permits 100% foreign direct investment (FDI) via automatic route and is encouraging foreign investors to participate in renewable energy-based power generation projects. As a result, India's renewable energy industry saw FDI inflows worth \$ 1.6 billion (₹130.7 billion) in FY22.
- **Energy security concerns:** India is the world's third biggest oil importer and consumer with a market share of 11% of global crude oil imports. Rising competition for fossil fuels has caused volatile and increasing prices of petroleum products. Increased use of alternative energy sources can help India reduce its reliance on expensive imported fossil fuels. (Source: IBEF, Mint, mercomindia.com, IEA, hellenicshippingnews.com)

❖ **Indian government initiatives:**

India's government is committed to promoting clean energy through large-scale sustainable power projects and incentives for green energy. Renewable energy has the potential to create employment opportunities at all levels, especially in rural areas.

- In less than a year since implementing the Late Payment Surcharge (LPS) Rules in June 2022, the outstanding dues of electricity distribution utilities (discoms) have significantly decreased. The total outstanding amount has been reduced by approximately one-third, reaching around ₹93,000 Crore.
- The Indian government has announced a waiver of Inter-State Transmission System (ISTS) charges for solar and wind power projects that are commissioned by 30 June 2025 and for the interstate sale of power generated from these projects.
- The National Electricity Plan (Generation) for 2022-23 outlined the growth and market share of renewable energy sources. Till March, 2023, solar PV capacity was estimated at 66.8 GW (16% market share). By March, 2027, it is projected to increase to 185.6 GW (30% market share) and by March 2032, it is expected to reach 364.6 GW (40% market share). For wind energy, the capacity was 42.6 GW (10% market share) till March, 2023, projected to reach 72.9 GW (12% market share) by March, 2027 and 121.9 GW (14% market share) by March, 2032.
- The National Renewable Purchase Obligation (RPO) trajectory provides a roadmap for India's renewable energy targets. Solar energy is expected to be the primary source of renewable energy until 2030, with a cumulative capacity addition required. Wind energy and other renewable sources are also included in the trajectory. The current RPO compliance varies across states, with Karnataka having the highest compliance at 43.57%, followed by Uttar Pradesh, Bihar and Maharashtra. The average compliance for renewable energy and hydro stands at 19.62%. These targets and compliance figures reflect India's commitment to increasing the share of renewable energy in its overall electricity generation.

❖ **OUTLOOK GOING AHEAD:**

○ **Creating a market for onshore wind:**

The Ministry of New and Renewable Energy (MNRE) has outlined a wind-specific renewable purchase obligation (RPO) trajectory to 2030, with an annual target of an 8 GW onshore wind tender every year between 2023 and 2030 based on a single-stage two-envelope bid system.

The plan is to harness the massive wind energy potential of eight windy states: Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu and Telangana. To support the development of power evacuation and transmission infrastructure, the Central Electricity Authority (CEA) has published its transmission planning report for the integration of renewable energy, including 58 GW of wind energy – of which 10 GW is offshore Tamil Nadu and Gujarat – to the Inter-State-Transmission-System (ISTS) by 2030. However, the planned infrastructure may not be sufficient to accommodate MNRE's target of 8 GW per year.

○ **Creating a market for offshore wind:**

In 2022, the MNRE published a strategy paper outlining a tender trajectory of 37GW of offshore wind by 2030. Together with the Danish Energy Agency, it also published a conceptual plan with a pipeline of 15 offshore wind projects. Additionally, the Center of Excellence on Offshore Wind and Renewable Energy, jointly set up by the Danish government and the MNRE, published reports on maritime spatial planning that build on earlier FOWIND and FOWPI projects. Creating a market for offshore wind in India demands a strong partnership between the government, development finance institutions, commercial banks, the offshore wind industry, and local communities. Developing India as an attractive offshore wind market further requires the introduction of appropriate standards, such as environmental impact assessment (EIA) guidelines, and support for energy offtake while ensuring the competitiveness of offshore wind.

Micro, small and medium enterprises (MSMEs) play a pivotal role in the Indian wind manufacturing sector. Going forward, the government should consider targeted production-linked incentives for companies currently engaged in the onshore wind sector, and for those wishing to get involved in offshore wind manufacturing. India is in a unique position to leverage growing export and international service opportunities in the APAC and European regions. A strategic supply chain impetus is pivotal to scaling up India's wind manufacturing sector.

BUSINESS OVERVIEW

Synergy Green Industries Limited (SGIL), is engaged in to manufacturing of large size critical castings for wind turbine Industry, wind gear boxes and general engineering applications like mining, Plastic Injection, & Pump Industries. Company started establishing a green field foundry project during 2011 and commenced the commercial production in June 2012. Foundry is located at strategic foundry cluster Kolhapur, Maharashtra and has got access to key resources like quality raw material & skilled manpower. Company's location is also strategically closer to wind OEM's hub like Pune & Chennai.

Company has got state of the art infrastructure to meet the stringent quality requirements for large castings. Only company in India to install a semi-automatic line for preparing the moulds and delivers excellent quality along with highest productivity.

Company maintains highest quality standards with complete range of inhouse testing facilities approved by NABL along with highly skilled team. Company is certified for Quality Management Systems with ISO 9001:2015 for Quality, ISO 14001- 2015 for Environmental management & ISO 45001-2018 for Occupational Health & Safety standards. Company has also got ISO 27001 certification for Information Security Management Systems and ISO 50001 certification for Energy Management Systems.

Company is in to manufacturing of Ductile Iron, Grey Iron & Steel castings in the weight range of 3 MT to 30 MT single piece. Company is equipped with best of the IT technology like MAGMA Simulation for flow and thermal analysis, ATAS System for liquid metal quality validation and SAP system for managing the business functions. Company is equipped with large castings material handling capability with 60 MT cranes, electric induction melting furnaces and furan moulding system. Company is installed with reclamation plants, pollution control equipment's which ensures environmentally friendly casting production with highest safety standards and energy efficiency.

SGIL's core strength is young qualified team one who has developed many critical products with stringent quality requirements. In its endeavors, the team is supported by a robust IT infrastructure and communication network. With these capabilities Company could build a strong customer base consisting of world's Top 10 Wind Turbine OEM's like Vestas, Siemens Gamesa, GE Renewable, Nordex & Senvion and Wind Gear Box customer like M/s ZF and M/s Flender. These customers have got more than 50% of world's market share in the wind industry. Further Company also built a strong customer base in Non-Wind Industry like Mining, Plastic Injection, Pumps & General Engineering.

Our company aims to be in Top 10 best foundries in the world. In this endeavor, continuously investing on Infrastructure, latest technologies, R&D activities and training the team to upgrade the knowledge base.

COMPETITIVE STRENGTHS

Proficient Management:

Company's top management is highly qualified and having decades of experience in producing large castings. With professional management and empowering the young qualified team enabled the organization to grow at fastest pace and attain leadership in the industry.

State of The Art Infrastructure:

Company is equipped with Best-in-Class equipment's to facilitate in producing stringent quality castings with highest efficiency. First company in India to Install fast loop semi-automatic moulding line for large castings up to 30 MT which is enabling to produce with highest productivity and handle large variety of parts simultaneously.

Quality Assurance and Standards:

Company is equipped with complete in-house testing facility along with NABL accreditation. Quality management systems are certified for ISO 9001, 14001, 45001, 27001 and ISO 50001. With these capabilities along with proven quality track record has given all customer's confidence for self-certification of our products.

Diversified Client Base:

Company has built diversified customer base in Wind, Gera Box & Non-Wind segments. Client base consists of Top leaders in each of the operating Industry segment recognizes the organizational capabilities. This diversification brings continuous growth for the organization along with stability during adverse conditions.

Strategic Location of Manufacturing Unit

Kolhapur Maharashtra is one of the Top foundry clusters in the country with about 20% of India's castings production. This builds strong ecosystem of supply chain for operating with efficient procurement management systems and supports adequate

skilled manpower for operations. Kolhapur is also strategically located for Wind OEM's in Pune & Chennai offers optimal logistic costs.

OUR BUSINESS STRATEGY

To achieve operational excellence through latest technology and innovation:

One of the core strategies of the company is to adopt latest technologies to get edge in manufacturing. Company is continuously engaged in innovative processes to achieve highest quality standards and improve the process efficiency along with great work environment. Our objective is to excel to enhance the stake holders' expectations and achieve global leadership in large castings.

Continue to invest significantly in R&D:

Company pays significant focus on R&D of new material grades, development of new products and processes to gain competitive advantage and keep in pace with industry developments. R&D activities are strengthened by training highly qualified team, investing in latest equipment's and empowering the team to experiment innovative methods. We believe that continued investments in R&D will enable us to increase our productivity, improve our operating efficiency, and enable us to penetrate existing and new market segments.

To build-up a professional organization

Organization strongly believes in Professional management, transparency and all stake holders commitment. Continuously focusing on building a strong team to achieve growth and maintain leadership position. Regular training of the team along with empowerment will transform professionals in accelerating the development wheel of the Organization.

SWOT Analysis:

Within a short period of time, Synergy Green Industries evolved as wind casting manufacturer by overcoming challenges from industry conditions and tough competition from big established players in India and Chinese imports.

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Strengths: Ability to manufacture large casting (3 MT to 30 MT) with highest quality standards</p> <p>Established foundry in India with proven track record from world's Top 5 Wind OEMs</p> <p>Efficient Foundry in India offering competitive prices and achieved revenue growth in 11 out of last 12 years.</p> | <p>Opportunities: Excellent growth opportunities in Renewable's Industry offers continuous growth.</p> <p>India is being converted as manufacturing Hub offers growing casting demand.</p> <p>Trade wars/Global Sentiments favors Indian foundry demand from western buyers</p> |
| <p>Weakness: Limited foundry capacity compared to peers (Need to scale up to 100,000 TPA for achieving economy of scales and accordingly capacity is being increased from 30,000 TPA to 45,000 TPA during 2024-25)</p> <p>100% Outsourcing of Machining (12,000 TPA machining capacity is being built during FY 2024-25)</p> | <p>Threats: 80% of business are coming from wind industry (company facilities are generic for any large castings and can be used any other industries)</p> <p>Volatile Commodity prices can impact profitability (Key commodities are hedged with customers on quarterly basis)</p> |

OUR PRODUCTS: -



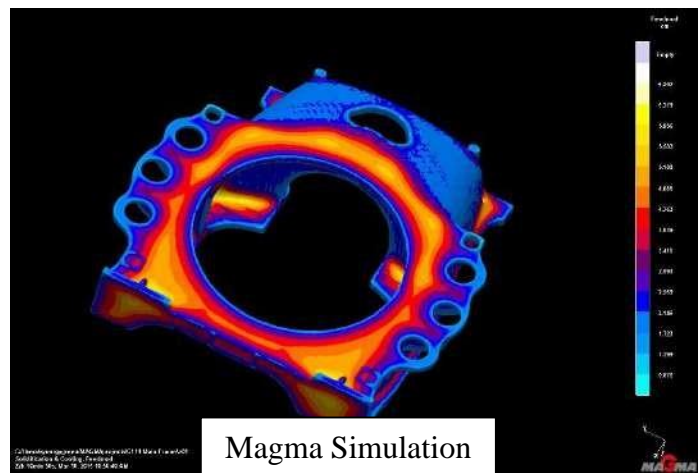
MANUFACTURING PROCESS: -



Design & Development:

Simulation:

Computerized simulation is a process of validating the manufacturing process parameters and predicting the results before production. Simulation is carried by feeding a 3D geometry of the component in to a simulation environment by applying all the shop floor conditions like sand system, material grade, Gating and Riser system. Simulation process will help in analyzing the component by virtually bisecting the casting and evaluating number of critical process parameters like flow velocity, cooling characteristics, feeding pattern, thermal gradient etc. This process helps in predicting the possible defects like shrinkage, mould erosion, air entrapment etc. and thereby helps in bringing down the development. Figure 1 shows typical cut section of wind turbine component for thermal analysis.



Figure

Pattern Manufacture:

Pattern equipment will facilitate in creating the required geometry to the customer drawing. Patterns are generally made with wooden material. For high volume requirements like wind turbine, patterns are generally strengthened with fabricated structures.

In order to maintain complicated 3D profiles wind turbine parts like hub and frame castings are generally made on a CNC machines built with modular concept. There are many pattern makers in the country, who have developed expertise and have pattern making facilities through CNC route. In order to cater to repetitive high volume, large size wind components, patterns are generally mounted on to Cast Iron / Wooden match plates. Figure 2 shows typical match plated pattern equipment.



Figure

Moulding, Melting, Pouring & Knockout: Moulding:

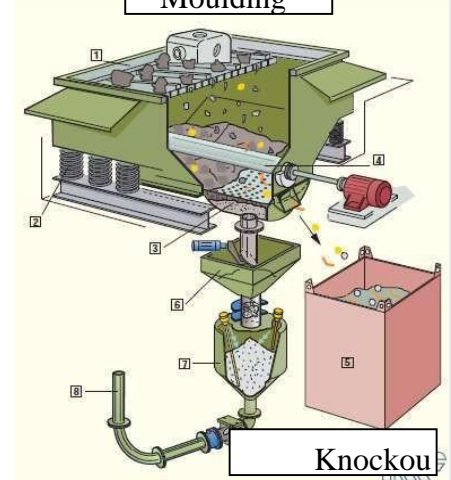
Moulding is the process of creating the sand cavity according to the customer defined geometry. Generally outer surfaces of the castings are created by moulds prepared out of pattern and mould boxes and inner surface the castings are created by core boxes.

Both mould and cores are prepared by pouring sand mixed with chemical binders on the surface of the pattern equipment. In order to deliver high quality mixed sand, sophisticated equipment like continuous sand mixers are used. These mixers are the state-of-the-art equipment, which work with PLC based system and eliminate the necessity of operator skill for delivering consistently good quality mixed sand. Key process parameters of the mixers are controlled by sensors for adjusting binder flow, temperatures of sand and ambient, humidity condition, etc., Figure 3 shows typical Sand Mixers along with moulding line. In order to facilitate proper compaction of the sand and material handling from one place to other, vibratory compaction table and transfer cars are used for this purpose.

After curing of the moulds, patterns and core boxes are stripped out of mould and cores to create desired cavities. These cavities are coated with refractory materials like Zircon for the purpose of achieving better surface finish and provide good refractoriness to the mould and core surface. After coating of the moulds, they are transferred for drying process. During drying process, entire moisture on the mould surface will be taken away, which quickly improves the strength of the mould.

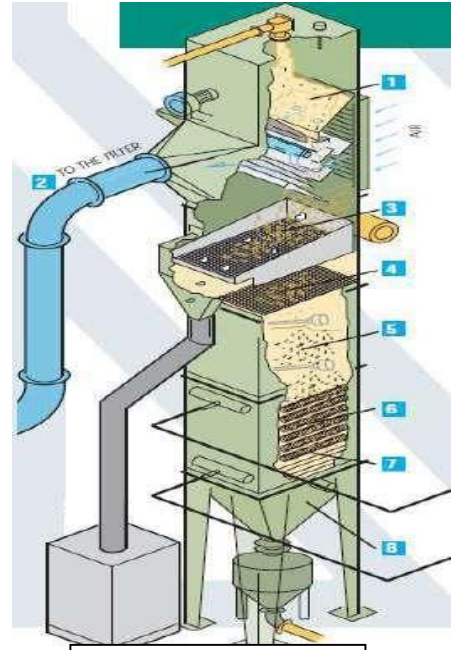
Soon after drying, moulds and cores will be taken for assembly. Now these moulds are ready for pouring the liquid metal. After pouring the liquid metal, mould will be allowed for cooling inside the mould boxes for suitable time depending upon the castings section thickness and metallurgical parameters. After cooling of the mould's castings are separated by vibrating the flasks on shakeout equipment. In order to protect dust floating in the shop floor, shakeout equipment is enclosed with sound proof cabin and connected to dust extraction system. Following is the typical shakeout system.

After shakeout, casting will be taken for further processing like fettling and finishing operations. Sand lumps coming out of the shakeout operation will be crushed and transported through pneumatic conveying



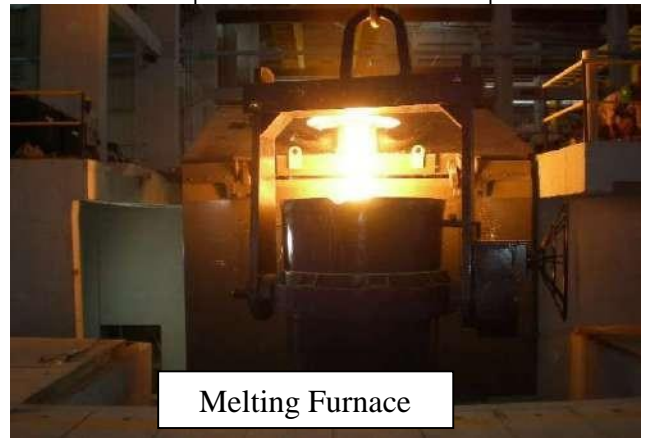
system for the purpose of sand reclamation and reuse of the sand for the next moulding cycle.

Sand coming out of the shakeout will be very hot and filled with lot of waste material and binder coating. In order to reuse this sand, sand is processed in mechanical reclamation unit to remove the binder coating on the sand surface through mechanical attrition process and cooling the sand through cooling system and removing all unwanted material as well. This mechanical reclamation process is supported by dust filtering system to protect the environment and also to separate the dust particles from the sand. In order to cool the sand, water will be circulated through the system and water recycling carried through cooling tower system. Following figures show typical sand reclamation system respectively.



Melting operation

Melting is carried out in Induction furnaces by charging the raw materials like, Scrap, Pig Iron and Ferro alloys. All the scrap materials including foundry returns are stored in large size bunkers. Depending upon the material grade to be produced, scrap will be charged to the furnace through cranes attached with magnet and the charging system. In order to protect from fumes during melting, furnaces will be covered with lids and connected to fume extraction system.



Melting Furnace

During melting operation quality of the metal will be controlled by measuring the temperatures with temperature recorders and chemical composition through Spectrometers. Further liquid metal is analyzed for its quality through online inspection with the help of Adaptive Thermal Analysis System (ATAS). After preparation of the liquid metal and its inspection, metal is poured in to the mould cavity through hot metal ladles.

Fettling and Finishing process

Fettling is carried out to remove the sand sticking on to the surface after knockout and to remove all unwanted materials on the casting. Fettling is carried out by simple tools like grinding and chipping machines. After fettling operation, castings will be taken by shot blasting the casting in shot blasting machine.



Shot Blasting

Inspection

Casting is inspected for all quality parameters like mechanical testing, Metallurgical characteristics, dimensional and NDT tests. Mechanical testing will be carried out for measuring the Ultimate tensile strength, Elongation and Impact strengths. Metallurgical tests like micro structure examination will be carried out to assure metallurgical requirement of the components.



Dimensional inspections will confirm the geometrical confirmation of the component as per the customer requirement. Non-destructive testing's (NDT) like Ultrasonic, Magnetic Particle Inspection and Radiography tests are carried out on the components to ensure internal soundness.

Machining and Final Inspection

In order to ensure fitment of the component and to meet the surface requirement criteria, castings will be machined as per the drawing and specifications.

After machining castings are finally inspected for all critical dimensions and surface treatment is carried out by final grit blasting and coating of the entire casting surface as per the customer specifications.

Presently 100% of machining operation is being carried out by outsourcing. During present expansion, it is being planned to take 50% of machining capacity inhouse in order to meet the expanded foundry capacity and improve profitability resulting to job creation.



HUMAN RESOURCES: -

One of the key success factors for the organization is in building a talented team. Our manpower is a prudent mix of the experienced and young people. All the employees are well trained and empowered to take their decisions. Contributions towards innovations and process efficiency are well rewarded and able to maintain very minimal attrition rate. Continuous effort is being made to enhance this team size to manage ambitious growth plans of the organization. Currently, we have 560 employees including Key Managerial Personal as on March 31, 2024.

| Category | No. of Employees |
|----------------------|------------------|
| Administrative Staff | 29 |
| Technical Staff | 60 |
| Skilled Workers | 195 |
| Semi-Skilled Workers | 200 |
| Unskilled Workers | 136 |
| Total | 620 |

MARKETING & SALES: -

Company has built its reputation for producing high quality castings and established long term business relationships with all leading wind OEMs in the Industry. Company established as a strategic partner with majority of customers and part of their business growth.

Marketing activities are supported by Long term non-binding business contracts with majority of customers which contributes around 75% of business. However, all these agreements are subject to confirmation with firm purchase orders from time to time. Company is engaged with key customers to align the capacities at least two to four quarters ahead of execution. Apart from this company is also in continuous discussions with customers for strategic planning of capacities for the next three years' time horizon.

COMPETITION: -



There is a high entry barrier in the domestic industry because of stringent quality requirements along competitive prices due to Chinese prices benchmarking. Competition requires proven track record and established product with customers to get the business share. Typically, this process takes minimum 3 years' time horizon to reach serial production levels.

Following is the competition:

- a. SE Forge Coimbatore: This is a captive foundry of Suzlon Wind OEM demonstrated capacity is 40,000 TPA. Since this company is located in SEZ location, domestic customers need to pay customs duty for using their production with in India. This gives us the competitive edge and becomes preferred supplier.
- b. Baettr India Chennai: This Company became operational in 2022 with a capacity of 30,000 TPA. Their major customer is Vestas. They also have foundries in Europe & China taking significant global demand of Vestas.
- c. Chinese Imports: This is the biggest competition with ample capacity. Their prices are estimated to be around 20 to 25% cheaper supported by lower commodity prices, power tariff, other input costs and incentives. However this gap is bridged with logistic costs and basic customs duty on imports.

PROPERTY: -

Intellectual Property Rights:

| S. No. | Nature of Registration/ License | Class | Trademark Name and Logo | Owner | Application No. & Date | Remark |
|--------|---------------------------------|-------|------------------------------------------------------------------------------------|------------------------------------------|------------------------|-----------------------|
| 1. | Trademark of Logo | 06 |  | Synergy Green Industries Private Limited | 2211400 & 26/09/2011 | Registered |
| 2. | Trademark of Label | 06 |  | Synergy Green Industries Limited | 3765727 & 27/02/2018 | Accepted & Advertised |

Immovable Property:

Details of our properties are as follows:

Properties owned/Leased by the Company:

| Sr. No. | Details of the Property | Licensor/Lessor | Term of Lease/License | Stamp Duty,Registration | Consideration / Lease Rental/ License Fees, | Use |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1. | Plot No. C-18 admeasuring 40160 square meters, Kagal-Hatkanangale Five Star Industrial Area, Village – Pattankodoli, Tal – Hatkanangale, Dist – Kolhapur. | <p>Grantor Maharashtra Industrial Development Corporation having its principle office at 4/4(A),12th Floor, World TradeCenter Sankul-1, Cuff-Parade, Colaba, Mumbai-400005.</p> <p>X</p> <p>Licensee S.B.Reshellers Private Limited having its office at 392, E-Ward, Shahupuri, Kolhapur – 416001.</p> <p>Party of the Third Party (Sub-Licensee) Synergy Green Industries Limited having its office at 392, E- Ward, Shahupuri, Kolhapur – 416001.</p> | Lease for a period of 95 years | <p>Stamp Duty: Rs. 100</p> <p>Registration: Agreement (supplemental to Principle Agreement dated March 26, 2008 between Grantor and Licensee) dated August 05, 2011 and registered a s document no . 5683/2011 before the Sub- Registrar, Grade – 1, Hatkanangle.</p> | <p>Premium paid by Licensee 1,20,48,000</p> <p>Differential Premium paid by Sub-Licensee 12,04,800</p> <p>Annual Lease Rent 1 (One)</p> | Factory |
| 2. | 392, E Ward, Shahupuri, Kolhapur – 416001, Maharashtra,India | <p>Agreement dated April 1, 2023 Lessor S.B. Reshellers Private Limited having its registered office at 392, E- Ward, Assembly Road, Shahupuri, Kolhapur.</p> <p>Lessee Synergy Green Industries Limited having its registered office at 392, E Ward,Shahupuri, Kolhapur</p> | 36 months | Stamp Duty 100 | Rent Rs. 25000 perMonth | Registered Office |

| Sr. No. | Details of the Property | Licensor/Lessor | Term of Lease/License | Stamp Duty,Registration | Consideration / Lease Rental/ LicenseFees, | Use |
|---------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|--------------------------------------------|--------|
| 3. | Bhivate Rice Mill, Plot No C-15, 16, Five Star MIDC, Kagal. Kolhapur-416236 | Agreement dated 1 st July, 2023 Lessor: Suresh Bhivate Lessee Synergy Green Industries Limited having its registered office at 392, E Ward,Shahupuri, Kolhapur | 11 Months | Stamp Duty 100 | Rent: 2,04,205/- Per Month | Godown |
| 4 | Bhivate Rice Mill, Plot No C-15, 16, Five Star MIDC, Kagal. Kolhapur-416236 | Agreement dated 1 st July, 2023 Lessor: Suresh Bhivate Lessee Synergy Green Industries Limited having its registered office at 392, E Ward,Shahupuri, Kolhapur | 11 Months | Stamp Duty 100 | Rent: 1,94,481/- Per Month | Godown |

OUR MANAGEMENT

In terms of the Companies Act, 2013 and as per Articles of Association of the company, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company has Ten (10) Directors and out of which Five (05) are Non-Executive Independent Directors. Set forth below are details regarding our Board as on the date of this Draft Letter of Offer.

| | | |
|------------------------------------|---|-------------------------------------|
| 1. Mr. Sachin Rajendra Shirgaokar | : | Chairman and Managing Director |
| 2. Mr. Sohan Sanjeev Shirgaokar | : | Joint Managing Director |
| 3. Mr. Vendavagali Srinivasa Reddy | : | Whole-time director |
| 4. Mr. Shishir Suresh Shirgaokar | : | Non- Executive Director |
| 5. Mr. Chandan Sanjeev Shirgaokar | : | Non- Executive Director |
| 6. Mr. Dattaram Pandurang Kamat | : | Non- Executive Independent Director |
| 7. Mrs. Prabha Prakash Kulkarni | : | Non- Executive Independent Director |
| 8. Mr. Mallappa Rachappa Desai | : | Non- Executive Independent Director |
| 9. Mr. Meyyappan Shanmugam | : | Non- Executive Independent Director |
| 10. Mr. Subhash Gundappa Kutte | : | Non- Executive Independent Director |

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Letter of offer.

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Sachin Rajendra Shirgaokar | |
| Father's Name | Mr. Rajendra Vinayak Shirgaokar |
| Address | Plot No.76, 128/1, 132 B/1, Vaibhav Co.Op Housing Society, Kolhapur Maharashtra - 416004, India |
| Date of Birth | February 26, 1966 |
| Age | 58 years |
| Designation | Chairman and Managing Director |
| Status | Executive |
| DIN | 00254442 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He holds a degree of Master of Business Administration from U.S.A. and B.E. Mechanical from Karnataka University, Bijapur. |
| No. of Years of Experience | He has played a pivotal role in the establishment of our corporate entity and possesses more than 35 years of comprehensive expertise and experience in business management, formulation of business strategies, effective planning and implementation. He is responsible for expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company. |
| Date of Appointment | He was originally appointed on the Board as Director on Incorporation i.e. October 08, 2010 and further he re-appointed as Managing Director w.e.f. January 01, 2011 for a period of 3 Years not liable to retire by rotation. He was then appointed as Chairman & Managing Director of the Company w.e.f. January 01, 2022. Presently, he is acting as Chairman and Managing Director and his present term will be valid till March 31, 2026. |
| Term of Appointment | He holds the office as Chairman & Managing Director of the Company w.e.f. April 01, 2023, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | 1) The Ugar Sugar Works Limited 2) Tara Tiles Private Limited 3) S.B. Reshellers Private Limited 4) D. M. Shirgaokar Enterprises LLP 5) V. S. Shirgaokar Enterprises LLP 6) Sangli Fabricators LLP |

| Mr. Sohan Sanjeev Shirgaokar | |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Father's Name | Mr. Sanjeev Suresh Shirgaokar |
| Address | 392 E Ward Shahupuri, Kolhapur Rs, Karvir, Kolhapur-416001, Maharashtra, India |
| Date of Birth | December 07, 1982 |
| Age | 41 years |
| Designation | Joint Managing Director |
| Status | Executive |
| DIN | 00217631 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He holds a degree of Master of Business and Bachelor of Commerce from the Shivaji University, Kolhapur. |
| No. of Years of Experience | He is having more than 21 years of experience and he played a pivotal role in building Synergy into an organization which works with passion, integrity, transparency and commitment. He looks after Administration, HR & Finance. |
| Date of Appointment | He was originally appointed on the Board as Director on Incorporation i.e. October 08, 2010 and further he re-appointed as Joint Managing Director w.e.f. January 01, 2017 for a period of 5 Years not liable to retire by rotation. He was again re appointed as Joint Managing Director and presently, he is acting as Joint Managing Director and his present term will be valid till March 31, 2026. |
| Term of Appointment | He holds the office as Joint Managing Director of the Company w.e.f. April 01, 2023, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | <ol style="list-style-type: none"> 1) The Ugar Sugar Works Limited 2) Tara Tiles Private Limited 3) S.B. Reshellers Private Limited 4) Shishir Shirgaokar Enterprises LLP 5) D. M. Shirgaokar Enterprises LLP 6) S.S. Shirgaokar Enterprises LLP 7) Suresh Shirgaokar Enterprises LLP 8) Sangli Fabricators LLP |

| Mr. Vendavagali Srinivasa Reddy | |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Father's Name | Mr. Narayana Reddy |
| Address | C 705, Anantpuram, Near Market Yard, Bapat Camp, Gur Market Yard, Kolhapur Maharashtra- 416005, India |
| Date of Birth | June 01, 1969 |
| Age | 54 years |
| Designation | Whole-time director |
| Status | Executive |
| DIN | 03425960 |
| Occupation | Self Employed |
| Nationality | India |
| Qualification | He holds a degree of Master in Technology from NIFFT, Ranchi and Bachelor in Mechanical Engineering from SKD University Andhra Pradesh. He has done his Executive General Management Program from IIM Bangalore. |
| No. of Years of Experience | He has about 29 years of experience in Industry as technologist and he also handled various responsibilities as product development, operation management, green field foundry project design and execution. He worked with various corporates like Simplex Casting Limited, ISGEC, and Larsen & Toubro Limited. |
| Date of Appointment | He was originally appointed on the Board as Additional Director w.e.f. April 01, 2012 and regularised as Whole Time Director w.e.f. September 28, 2012 and Re- appointed as |

| | |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Whole Time Director w.e.f. April 01, 2016 for a period of two years. Further re-appointed as Whole Time Director w.e.f. April 01, 2018 for a period of two years and reappointed as While Time Director w.e.f. April 01, 2020 for a period of three years. Presently, he is acting as Whole Time Director and his present term will be valid till March 31, 2026. |
| Term of Appointment | He holds the office as Whole time Director of the Company w.e.f. April 01, 2023, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | - |

| | |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Shishir Suresh Shirgaokar | |
| Father's Name | Mr. Suresh Sitaram Shirgaokar |
| Address | 12, Kostka House, 31, Pali Road Bandra West Mumbai Maharashtra- 400050, India |
| Date of Birth | January 16, 1945 |
| Age | 79 years |
| Designation | Non-Executive Director |
| Status | Non-Executive |
| DIN | 00166189 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He has the degree of Bachelor of Science from the Fergusson College, University of Pune. |
| No. of Years of Experience | He has vast experience of more than 52 years of sugar industry and he is also associated with various social and cultural organizations. Also, he has been involved include strategy, banking, new projects execution & growth and inventory control. |
| Date of Appointment | He was appointed Originally appointed on the Board as Non-Executive Director w.e.f. September 17, 2014. Further he was re-appointed w.e.f. May 27, 2021, for a period of three years as Non-Executive Director who attaining the age of more than 75 years. |
| Term of Appointment | He holds office as Non- Executive Director w.e.f. May 27, 2021, for a period of 3 years liable to retire by rotation. |
| Other Directorships/ Designated Partner | <ol style="list-style-type: none"> 1) BSJ Engineering Private Limited 2) SLK Software Private Limited 3) The Ugar Sugar Works Limited 4) Ugar Pipe Industries Private Limited 5) Tara Tiles Private Limited 6) Shishir Shirgaokar Enterprises LLP 7) D. M. Shirgaokar Enterprises LLP 8) Suresh Shirgaokar Enterprises LLP 9) Sangli Fabricators LLP 10) Ugar Quality Packaging Pvt. Ltd. |

| | |
|---------------------------------------|------------------------------------------------------------------------|
| Mr. Chandan Sanjeev Shirgaokar | |
| Father's Name | Mr. Sanjeev Shirgaokar |
| Address | Ugarkhurd, Tal: Athani Dist: Belgaum Ugarkhurd 591316 Karnataka, India |
| Date of Birth | October 20, 1977 |
| Age | 46 years |
| Designation | Non- Executive Director |
| Status | Non-Executive |
| DIN | 00208200 |
| Occupation | Self Employed |

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nationality | Indian |
| Qualification | He holds degree of Master of Computer Management from Shivaji University. |
| No. of Years of Experience | He is having more than 22 years of experience in sugar & co generation business. |
| Date of Appointment | Initially, he was appointed on the Board as Additional Non-Executive Director w.e.f. January 19, 2011, Further Regularized as Non-Executive Director w.e.f. December 21, 2011 |
| Term of Appointment | He holds office as Non- Executive Director w.e.f. January 19, 2011, liable to retire by rotation. |
| Other Directorships/ Designated Partner | <ol style="list-style-type: none"> 1) The Ugar Sugar Works Limited 2) S.B. Reshellers Private Limited 3) Ugar Pipe Industries Private Limited 4) Shishir Shirgaokar Enterprises LLP 5) D. M. Shirgaokar Enterprises LLP 6) S.S. Shirgaokar Enterprises LLP 7) Suresh Shirgaokar Enterprises LLP 8) Sangli Fabricators LLP 9) USW Spirits Pvt. Ltd |

| | |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Dattaram Pandurang Kamat | |
| Father's Name | Mr. Pandurang Dattaram Kamat |
| Address | E 331 C E Ward Anandi New Shahupuri Kolhapur, Maharashtra India- 416001 |
| Date of Birth | February 12, 1950 |
| Age | 74 years |
| Designation | Non-Executive Independent Director |
| Status | Non-Executive |
| DIN | 02081844 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He holds the degree of Bachelor of Engineering in Mechanical branch from Karnataka University. |
| No. of Years of Experience | He has an overall experience of more than 46 years in the industry. |
| Date of Appointment | Initially, he was appointed on the board as Additional Director w.e.f. February 20, 2018, Then after, Regularised as Non-Executive Independent Director w.e.f. February 23, 2018. Further, he was re-appointed as Non-Executive Independent Director w.e.f. February 23, 2023 for the period of 5 years. In the meeting of Board of Directors held on 22 nd May 2024, resolution has been passed for his continuation under regulation 17 (1A) of SEBI (LODR) Regulations, 2015 subject to approval of the members. |
| Term of Appointment | He holds the office as an Independent Director of the company for the period of five (5) years w.e.f. February 23, 2023, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | 1) Kolhapur Airochem Private Limited |

| | |
|-------------------------------------|-------------------------------------------------------|
| Mrs. Prabha Prakash Kulkarni | |
| Father's Name | Mr. Sakharam Madhav Ghatge |
| Address | 41, Shivaji Nagar, Sangli, Maharashtra India - 416415 |
| Date of Birth | July 14, 1943 |
| Age | 80 years |
| Designation | Non-Executive Independent Director |

| | |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Status | Non-Executive |
| DIN | 00053598 |
| Occupation | Business |
| Nationality | Indian |
| Qualification | She holds degree of Bachelor of Engineering in Mechanical branch from Shivaji University. |
| No. of Years of Experience | She has an overall experience of more than 56 years in the industry. |
| Date of Appointment | Initially, she was appointed on the board as Additional Director w.e.f. February 20, 2018. Then after, Regularised as Non-Executive Independent Director w.e.f. February 23, 2018. Further, she was re-appointed as Non-Executive Independent Director w.e.f. February 23, 2023 for the period of 3 years. |
| Term of Appointment | She holds the office as an Independent Director of the company w.e.f. February 23, 2023 for the period of 3 years, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | 1) KPT Industries Limited 2) India Components Private Limited 3) Trimurti Engineering Tools Private Limited |

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|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Mallappa Rachappa Desai | |
| Father's Name | Mr. Rachappa Mallappa Desai |
| Address | Bilgi Bagalkot Yadahalli, Karnataka India- 587117 |
| Date of Birth | July 28, 1946 |
| Age | 77 years |
| Designation | Non-Executive Independent Director |
| Status | Non-Executive |
| DIN | 01625500 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He holds degree of M.B.B.S (Bachelor of Medicine, Bachelor of Surgery) from The Karnatak University, Dharwar. |
| No. of Years of Experience | He has an overall experience of more than 47 years in his field. |
| Date of Appointment | Initially, He was appointed on the board as Additional Director w.e.f. February 20, 2018, Then after, Regularised as Non-Executive Independent Director w.e.f. February 23, 2018. Further, he was re-appointed as Non-Executive Independent Director w.e.f. February 23, 2023 for the period of 3 years. |
| Term of Appointment | He holds the office as an Independent Director of the company w.e.f. February 23, 2023 for the period of 3 years, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | 1) Sri Chamundeswari Sugars Limited 2) BSJ Engineering Private Limited 3) Negilamidita Farmers Producer Company Limited 4) The Ugar Sugar Works Limited |

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|--------------------------------|------------------------------------------------------------------------------------------------------------|
| Mr. Meyyappan Shanmugam | |
| Father's Name | Mr. Shanmugam |
| Address | Prabha Building, Garodia Nagar, Opp. Garodia School, Ghatkoper, Rajawadi, Mumbai-400077, Maharashtra India |
| Date of Birth | August 04, 1958 |
| Age | 65 years |
| Designation | Non-Executive Independent Director |

| | |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Status | Non-Executive |
| DIN | 00079844 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He holds the degree of Bachelor of Engineering from PSG College of Technology, Coimbatore, Tamil Nadu. |
| No. of Years of Experience | He has an overall experience of more than 40 years in the industry. |
| Date of Appointment | Initially, He was appointed on the board as Additional Director w.e.f. May 18, 2018, Then after, Regularised as Non-Executive Independent Director w.e.f. May 22, 2018. Further, he was re-appointed as Non-Executive Independent Director w.e.f. May 26, 2023 for the period of 5 years. |
| Term of Appointment | He holds the office as an Independent Director of the company for the period of five (5) years w.e.f. May 26, 2023, not liable to retire by rotation. |
| Other Directorships/ Designated Partner | 1) Sharpline Automation Private Limited 2) Sharpline Machinery Private Limited 3) Forward Manufacturing Company Private Limited 4) Christiani Sharpline Technical Training Private Limited 5) Subala Engineering Private Limited |

| | |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Subhash Gundappa Kutte | |
| Father's Name | Mr. Gundappa Kutte |
| Address | R.S. No.36A/26, Bunglow, 'Snyam', Atharv Siddhi Sankul, Tarabai Park, Karveer, Kolhapur |
| Date of Birth | November 04, 1952 |
| Age | 71 years |
| Designation | Non-Executive Independent Director |
| Status | Non-Executive |
| DIN | 00233322 |
| Occupation | Self Employed |
| Nationality | Indian |
| Qualification | He holds the degree of Bachelor of commerce from Shivaji University, Kolhapur. |
| No. of Years of Experience | He has an overall experience of 44 years in the Banking and finance industry. |
| Date of Appointment | Initially, he was appointed on the board as Additional Director w.e.f. January 09, 2019, Then after, Regularised as Non-Executive Independent Director w.e.f. September 18, 2019. Further, he was re-appointed as Non-Executive Independent Director w.e.f. January 08, 2024 for the period of 5 years. |
| Term of Appointment | He holds the office for as an Independent Director of the company of the company for the period of five (5) years w.e.f. January 08, 2024, not liable to retire by rotation. |
| Other Directorships /Designated Partner | 1) Centrum Financial Services Limited 2) Centrum Capital Limited 3) Unity Small Finance Bank Limited 4) Centrum Wealth Limited 5) Menon Pistons Limited 6) Centrum Retail Services Limited |

BRIEF BIOGRAPHIES OF OUR DIRECTORS

1. Sachin Rajendra Shirgaokar, Chairman and Managing Director

Sachin Rajendra Shirgaokar, aged 58 years, is the Promoter, Chairman and Managing Director of our company. He was originally appointed on the Board as Director on Incorporation i.e. October 08, 2010 and further he re-appointed as Managing Director w.e.f. January 01, 2011 for a period of 3 Years not liable to retire by rotation. He was then appointed as Chairman & Managing Director of the Company w.e.f. January 01, 2022. Presently, he is acting as Chairman and Managing Director and his present term will be valid till March 31, 2026. He holds a degree of Master of Business Administration from U.S.A. and B.E. Mechanical from Karnataka University, Bijapur. He has played a pivotal role in the establishment of our corporate entity and possesses more than 35 years of comprehensive expertise and experience in business management, formulation of business strategies, effective planning and implementation. He is responsible for expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

2. Sohan Sanjeev Shirgaokar, Managing Director

Sohan Sanjeev Shirgaokar, aged 41 years, is Promoter and Joint Managing Director of our company. He was originally appointed on the Board as Director on Incorporation i.e. October 08, 2010 and further he re-appointed as Joint Managing Director w.e.f. January 01, 2017 for a period of 5 Years not liable to retire by rotation. He was again re appointed as Joint Managing Director and presently, he is acting as Joint Managing Director and his present term will be valid till March 31, 2026. He holds a degree of Master of Business and Bachelor of Commerce from the Shivaji University, Kolhapur. He is having more than 21 years of experience and he played a pivotal role in building Synergy into an organization which works with passion, integrity, transparency and commitment. He looks after Administration, HR & Finance.

3. Vendavagali Srinivasa Reddy, Whole-time director

Vendavagali Srinivasa Reddy, aged 54 years, is Promoter and Whole-time director of our company. He was originally appointed on the Board as Additional Director w.e.f. April 01, 2012 and regularised as Whole Time Director w.e.f. September 28, 2012 and Re- appointed as Whole Time Director w.e.f. April 01, 2016 for a period of two years. Further re-appointed as Whole Time Director w.e.f. April 01, 2018 for a period of two years and reappointed as Whole Time Director w.e.f. April 01, 2020 for a period of three years. Presently, he is acting as Whole Time Director and his present term will be valid till March 31, 2026. He holds a degree of Master in Technology from NIFFT, Ranchi and Bachelor in Mechanical Engineering from SKD University Andhra Pradesh and Executive General Management Program from IIM Bangalore. He has about 29 years of experience in Industry as technologist and he also handled various responsibilities as product development, operation management, green field foundry project design and execution. He also worked with various corporates like Simplex Casting Limited, ISGEC, and Larsen & Toubro Limited.

4. Shishir Suresh Shirgaokar, Non-Executive Director

Shishir Suresh Shirgaokar, aged 79 years, is Non-Executive Director of our company. He holds office as Non-Executive Director w.e.f. May 27, 2021, for a period of 3 years, liable to retire by rotation. He has the degree of Bachelor of Science from the Fergusson College, University of Pune. He has vast experience of more than 52 years of sugar industry and he is also associated with various social and cultural organizations. Also, he has been involved include strategy, banking, new projects execution & growth and inventory control. Additionally, he leads many of the external communication initiatives for the group including but not restricted to policy issues with the Government of India, State Governments and the Sugar Industry Associations.

5. Chandan Sanjeev Shirgaokar, Non-Executive Director

Chandan Sanjeev Shirgaokar, aged 46 years, is Non-Executive Director of our company. Initially, he was appointed on the Board as Additional Non-Executive Director w.e.f. January 19, 2011, Further Regularized as Non-Executive Director w.e.f. December 21, 2011. He holds degree of Master of Computer Management from Shivaji University. He is having more than 22 years of experience in sugar & co generation business. Presently, he is working as Managing Director and bearing responsibility of overall management of Sugar Division, Human Resource Department, Co-Generation, Distillery and IMFL Division of Ugar Sugar Works Limited.

6. Dattaram Pandurang Kamat, Non-Executive Independent Director

Dattaram Pandurang Kamat, aged 74 years is Non-Executive Independent Director of our company. Initially, he was appointed on the board as Additional Director w.e.f. February 20, 2018, Then after, Regularised as Non-Executive Independent Director w.e.f. February 23, 2018. Further, he was re-appointed as Non-Executive Independent Director w.e.f. February 23, 2023 for the period of 5 years. In the Board Meeting held on 22nd May 2024, resolution has been passed for his continuation under regulation 17 (1A) of SEBI (LODR) Regulations, 2015 subject to approval of the members . He holds the degree of Bachelor of Engineering in Mechanical branch from Karnataka University. He has an overall experience of more than 46 years in the industry.

7. Prabha Prakash Kulkarni, Non-Executive Independent Director

Prabha Prakash Kulkarni, aged 80 years, is Non-Executive Independent Director of our Company. Initially, she was appointed on the board as Additional Director w.e.f. February 20, 2018. Thenafter, Regularised as Non-Executive Independent Director w.e.f. February 23, 2018. Further, she was re-appointed as Non-Executive Independent Director w.e.f. February 23, 2023 for the period of 3 years. She holds degree of Bachelor of Engineering in Mechanical branch from Shivaji University. She has an overall experience of more than 56 years in the industry. She was Managing Director of Kulkarni Engg. Associates Limited. Presently, she is working as President of Trimurti Engineering Tools Private Limited.

8. Mallappa Rachappa Desai, Non-Executive Independent Director

Mallappa Rachappa Desai, aged 77 years, is Non-Executive Independent Director of our Company. Initially, He was appointed on the board as Additional Director w.e.f. February 20, 2018, Then after, Regularised as Non-Executive Independent Director w.e.f. February 23, 2018. Further, he was re-appointed as Non-Executive Independent Director w.e.f. February 23, 2023 for the period of 3 years. He holds degree of M.B.B.S (Bachelor of Medicine, Bachelor of Surgery) from The Karnatak University, Dharwar. He has an overall experience of more than 47 years in his field. He has represented India as a Vice President of the World Association of Beet & Cane Growers (WABCG). Additionally, he has represented the country in the International Sugar Organization (ISO), the World Sugar Research Organization (WSRO) and the Global Sugar Alliance (GSA).

At present, he is the Chairman of the National Federation of Cooperative Sugar Factories, New Delhi.

9. Meyyappan Shanmugam, Non-Executive Independent Director

Meyyappan Shanmugam, aged 65 years, is Non-Executive Independent Director of our Company. Initially, He was appointed on the board as Additional Director w.e.f. May 18, 2018, Then after, Regularised as Non-Executive Independent Director w.e.f. May 22, 2018. Further, he was re-appointed as Non-Executive Independent Director w.e.f. May 26, 2023 for the period of 5 years. He holds the degree of Bachelor of Engineering from PSG College of Technology, Coimbatore, Tamil Nadu. He has an overall experience of more than 40 years in the industry.

10. Subhash Gundappa Kutte, Non-Executive Independent Director

Subhash Gundappa Kutte, aged 71 years, is Non-Executive Independent Director of our Company. Initially, he was appointed on the board as Additional Director w.e.f. January 09, 2019, Then after, Regularised as Non-Executive Independent Director w.e.f. September 18, 2019. Further, he was re-appointed as Non-Executive Independent Director w.e.f. January 08, 2024 for the period of 5 years. He holds the degree of Bachelor of commerce from Shivaji University, Kolhapur, and also Master in Business Administration. He has an overall experience of 44 years in the Banking and finance industry.

CONFIRMATION

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

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

CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

In addition to the committees of our Board detailed below, our board may from time to time constitute committees for various functions.

1. **Audit Committee.**
2. **Nomination and Remuneration Committee.**
3. **Stakeholders Relationship Committee.**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder.

1. **Audit Committee:**

The present constitution of the Audit Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|--------------------------------|--------------------|--------------------------------------------|
| Mr. Subhash Gundappa Kutte | Chairman | Non- Executive Independent Director |
| Mr. Dattaram Pandurang Kamat | Member | Non- Executive Independent Director |
| Mr. Mallappa Rachappa Desai | Member | Non- Executive Independent Director |
| Mrs. Prabha Prakash Kulkarni | Member | Non- Executive Independent Director |
| Mr. Chandan Sanjeev Shirgaokar | Member | Non- Executive Non Independent Director |

Our Company Secretary and Compliance officer act as the secretary of the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

Role and power of Committee:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
2. Recommendation for appointment, remuneration, and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements, and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half-yearly financial statements before submission to the board for approval, with particular reference to;
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - b) changes, if any, in accounting policies and practices and reasons for the same.
 - c) major accounting entries involving estimates based on the exercise of judgment by management.
 - d) significant adjustments made in the financial statements arising out of audit findings.
 - e) compliance with listing and other legal requirements relating to financial statements.
 - f) disclosure of any related party transactions.
 - g) modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and the effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up thereon;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of the audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors;
21. To review the functioning of the whistleblower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience, and background, etc., of the candidate; and;
23. The audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

REVIEW OF INFORMATION BY THE COMMITTEE: -

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significantly related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal, and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
7. Quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
8. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Quorum and Meetings

The audit committee shall meet at least 4 times in a year and as & when required to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

2. Nomination and Remuneration Committee:

The present constitution of the Nomination and Remuneration Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|------------------------------|--------------------|-------------------------------------|
| Mr. Dattaram Pandurang Kamat | Chairman | Non- Executive Independent Director |
| Mrs. Prabha Prakash Kulkarni | Member | Non- Executive Independent Director |
| Mr. Subhash Gundappa Kutte | Member | Non- Executive Independent Director |

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

Terms of reference:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out an evaluation of every director's performance;
2. Formulate the criteria for determining the qualifications, positive attributes, and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs, and other employees;
3. Formulation of criteria for evaluation of the performance of independent directors and the board of directors;
4. Devising a policy on diversity of the board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees, and increment of Executive Directors;
8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
9. Decide the amount of Commission payable to the Whole-time Directors;
10. Review and suggest a revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines, etc; and
11. To formulate and administer the Employee Stock Option Scheme

Quorum and Meetings

The Committee is required to meet at least once a year. Additional meetings are held for the purpose of recommending appointment/re-appointment of Directors and Key Managerial Personnel and their remuneration. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

3. Stakeholder Relationship Committee:

The present constitution of the Nomination and Remuneration Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|-------------------------------|--------------------|-------------------------------------|
| Mrs. Prabha Prakash Kulkarni | Chairperson | Non- Executive Independent Director |
| Mr. Dattaram Pandurang Kamat | Member | Non- Executive Independent Director |
| Mr. Shishir Suresh Shirgaokar | Member | Non- Executive Independent Director |

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

Terms of Reference

The role of the committee shall *inter-alia* include the following:

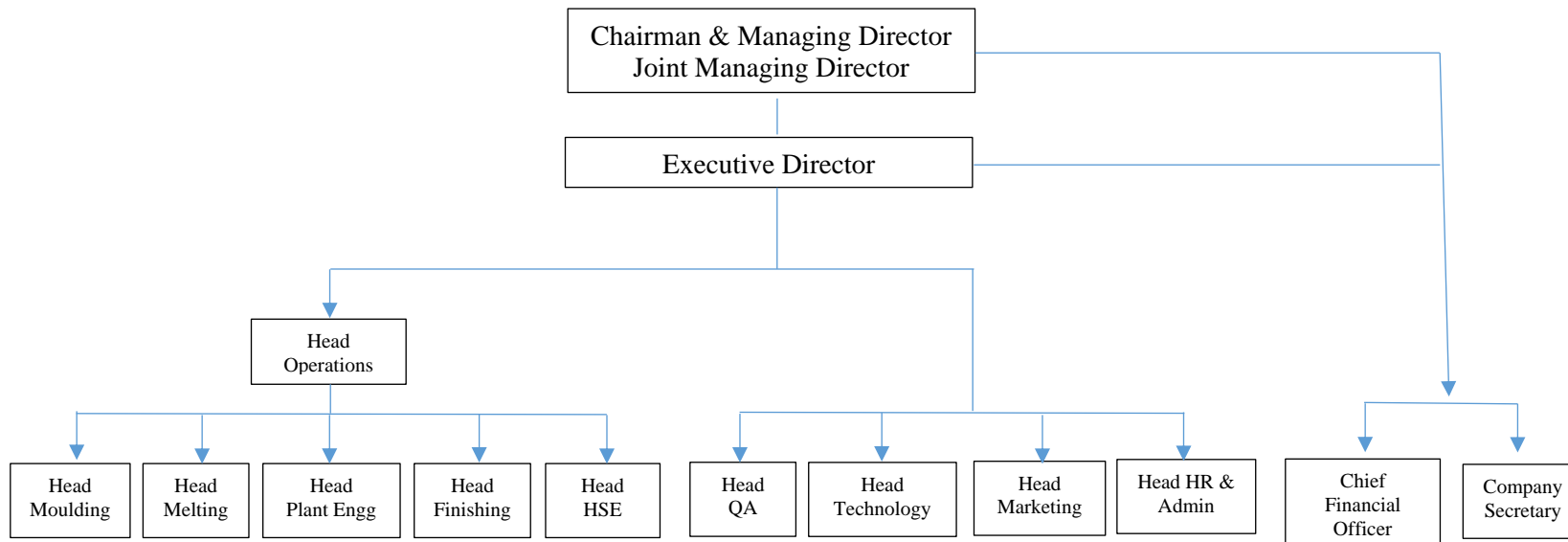
1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Review the process and mechanism of redressal of Shareholders' /Investor' grievances and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of the annual report, and any other grievance/complaints with Company or any officer of the Company arising out in the discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of a resolution passed by it in a duly conducted Meeting, and
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

Quorum and Meetings

The Stakeholders Relationship Committee shall meet at least once in a year and further as & when require to discuss and approve the items included in its role. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart:



Our Key Management Personnel:

The Key Managerial Personnel of our Company other than our Executive Director are as follows: -

| Name, Designation and Date of Joining | | Qualification | Previous Employment | Remuneration paid in F.Y. 2022-23) (₹in Lakhs) |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------|
| Name | Mr. Pratik Pradipkumar Dukande | Bachelor of Commerce Fellow Member of Institute of Chartered Accountants of India | - | ₹3.53 Lakhs |
| Designation | Chief Finance Officer | | | |
| Date of Appointment | May 22, 2024 | | | |
| Overall Experience | He is a Chartered Accountant having post qualification experience of more than 12 years in financial reporting, budgeting, forecasting, finalization of accounts, filing income tax, TDS, GST and PT returns. Involvement in formulation of business strategy and presentation of financial results to the stakeholders. Conducting Income Tax Audits and GST Audits of proprietary concerns, partnership firms & private limited companies. Conducting Statutory Audits of corporate clients and banks, Income Tax Audits and GST Audits. Preparing projections and CMA data for obtaining bank funding. Having basic knowledge of Overseas Direct Investment and Foreign Direct Investment. Worked as virtual CFO for educational institute like Symbiosis. Faculty for GMCS, Orientation and ITT training of CA Students for the Kolhapur Branch of WIRC of ICAI. Participated in arrangement of Technical Sessions, Cultural Activities & sport for the Kolhapur Branch of WIRC of ICAI. | | | |
| Name | Mr. Nilesh Mohan Mankar | Hold the Degree of the Company Secretary from Institute of Company Secretary of India, and Master of Business Administration from Indira Gandhi National Open University and Bachelor of Commerce from Shivaji University, Kolhapur | - | ₹9.52 Lakhs |
| Designation | Company Secretary and Compliance Officer | | | |
| Date of Appointment | July 01, 2015 | | | |
| Overall Experience | He is and Associate Member of Institute of Company Secretaries of India and having overall 12 years of experience in the Secretarial and Legal department. | | | |

BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel.

CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing of this Draft Letter of offer, otherwise than by way of retirement in due course.


| Name of Directors | Date of Event | Nature of Events | Reason for the changes in the board |
|---------------------------------|-------------------|------------------|------------------------------------------------------------------------------------------------------------------------------|
| Mr. Sachin Rajendra Shirgaokar | October 05, 2023 | Re-Appointment | Re- Appointed as Chairman & Managing Director of the Company for a period of 3 years w.e.f April 01, 2023 to March 31, 2026. |
| Mr. Sohan Sanjeev Shirgaokar | October 05, 2023 | Re-Appointment | Re- Appointed as Joint Managing Director of the Company for a period of 3 years w.e.f April 01, 2023 to March 31, 2026. |
| Mr. Vendavagali Reddy Srinivasa | February 14, 2023 | Re-Appointment | Re- Appointed as Whole-time director the Company for a period of 3 years w.e.f April 01, 2023. |


OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The following Individuals are our Promoters.

1. Mr. Sachin Rajendra Shirgaokar
2. Mr. Sohan Sanjeev Shirgaokar
3. Mr. Vendavagali Srinivasa Reddy
4. M/s S B Reshellers Private Limited

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|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Mr. Sachin Rajendra Shirgaokar</p> <p>Mr. Sachin Rajendra Shirgaokar aged 58 years is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Master of Business Administration from U.S.A. and B.E. Mechanical from Karnataka University Bijapur. He is actively engaged in managing the company since incorporation. He has about 35 years of experience in the Industry. He started his career with Sanderson & Associates, New York as Junior Consultant. Later on associate with S.B. Reshellers Private Limited as Managing Director in 1991. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.</p> |
| Date of Birth | February 26, 1966 |
| Age | 58 years |
| Educational Qualification | He holds a degree of Master of Business Administration from U.S.A. and B.E. Mechanical from Karnataka University Bijapur |
| Present Residential Address | Plot No.76, 128/1, 132 B/1, Vaibhav Co. Op Housing Society Kolhpur-416004, Maharashtra, India |
| Position/posts held in the past | He was originally appointed on the Board as Director on Incorporation i.e. October 08, 2010 and further he re-appointed as Managing Director w.e.f. January 01, 2011 for a period of 3 Years not liable to retire by rotation. He was then appointed as Chairman & Managing Director of the Company w.e.f. January 01, 2022. Presently, he is acting as Chairman and Managing Director and his present term will be valid till March 31, 2026. |
| Directorship held | <ol style="list-style-type: none"> 1) The Ugar Sugar Works Limited 2) Tara Tiles Private Limited 3) S.B. Reshellers Private Limited 4) V. S. Shirgaokar Enterprises Private Limited |
| Other Ventures | <p>Designated Partner:</p> <ol style="list-style-type: none"> 1) D. M. Shirgaokar Enterprises LLP 2) V. S. Shirgaokar Enterprises LLP 3) Sangli Fabricators LLP |

| | |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Mr. Sohan Sanjeev Shirgaokar</p> <p>Mr. Sohan Sanjeev Shirgaokar aged 41 years, is the Joint Managing Director and also the Promoter of our Company. He holds a degree of Master of Business and Bachelor of Commerce from the Shivaji University, Kolhapur. He is actively engaged in managing the company since incorporation. He has about 21 years of experience in the Industry. He joined S.B. Reshellers Private Limited in 2005. Currently he is Joint Managing Director of S.B. Reshellers Private Limited also. He has played a pivotal role in building Synergy into an organization which works with passion, integrity, transparency and commitment. He looks after Administration, HR & Finance. He has domain expertise in legal and financial matters related to Companies Act and Income Tax Act. He aptly manages Crisis Management and Fund Raising for the group. Mr. Sohan Shirgaokar is a Chairman of Indo American Chamber of Commerce, Pune Chapter. He is an invitee director on the Board Kolhapur Engineering Association, which is the oldest industrial association in Kolhapur. He is a convener of Family Business Networking of CII South Maharashtra Zone. He is also a Co-opted Director of Shirolji Manufacturers Association of Kolhapur, the biggest Industrial association of Kolhapur.</p> |
| Date of Birth | December 07, 1982 |
| Age | 41 years |
| Educational Qualification | He holds a degree of Master of Business and Bachelor of Commerce from the Shivaji University, Kolhapur. |
| Present Residential Address | 392 E Ward Shahupuri, Kolhapur Rs, Karvir, Kolhapur-416001, Maharashtra, India |
| Position/posts held in the past | He was originally appointed on the Board as Director on Incorporation i.e. October 08, 2010 and further he re-appointed as Joint Managing Director w.e.f. January 01, 2017 for a period of 5 Years not liable to retire by rotation. He was again re appointed as Joint Managing Director and presently, he is acting as Joint Managing Director and his present term will be valid till March 31, 2026. |
| Directorship held | <ol style="list-style-type: none"> 1) The Ugar Sugar Works Limited 2) Tara Tiles Private Limited 3) S.B. Reshellers Private Limited |
| Other Ventures | <p>Designated Partner:</p> <ol style="list-style-type: none"> 1) Shishir Shirgaokar Enterprises LLP 2) D. M. Shirgaokar Enterprises LLP 3) S.S. Shirgaokar Enterprises LLP 4) Suresh Shirgaokar Enterprises LLP 5) Sangli Fabricators LLP |

| | |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Mr. Vendavagali Srinivasa Reddy</p> <p>Mr. Vendavagali Srinivasa Reddy aged 54 years, is the Whole Time Director of our Company. He holds a degree of Master in Technology from NIFFT, Ranchi, Bachelor in Mechanical Engineering from SKD University Andhra Pradesh and Executive General Management Program from IIM Bangalore. He started his carrier in 1995. He has about 29 years of experience in manufacturing of large size critical castings. He handled various responsibilities including product development, operation management, green field foundry project design and execution. He worked with various corporates like Simplex Casting Limited, ISGEC, and Larsen & Toubro Limited.</p> |
| Date of Birth | June 01, 1969 |
| Age | 54 years |
| Educational Qualification | He holds a degree of Master in Technology from NIFFT, Ranchi and Bachelor in Mechanical Engineering from SKD University Andhra Pradesh. He done his Executive General Management Program from IIM Bangalore. |

| | |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Present Residential Address | C 705, Anantpuram, Near Market Yard, Bapat Camp, Gur Market Yard, Kolhapur-416005, Maharashtra, India. |
| Position/posts held in the past | He was originally appointed on the Board as Additional Director w.e.f. April 01, 2012 and regularised as Whole Time Director w.e.f. September 28, 2012 and Re- appointed as Whole Time Director w.e.f. April 01, 2016 for a period of two years. Further re-appointed as Whole Time Director w.e.f. April 01, 2018 for a period of two years reappointed as Whole Time Director w.e.f. April 01, 2020 for a period of three years. Presently, he is acting as Whole Time Director and his present term will be valid till March 31, 2026. |
| Directorship held | -- |
| Other Ventures | -- |

**Details of our Corporate Promoter: -
S.B. RESHELLERS PRIVATE LIMITED**

| | | | |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Name of Entity | S.B. Reshellers Private Limited | | |
| Date of Incorporation | April 30, 1949 | | |
| Main objects: | Manufacturing & Reshelling of sugar mill rollers, machine shop, heavy fabrication, designing, manufacturing, developing, improving, hiring, repairing, buying, selling and dealing in forging and casting of ferrous and non-ferrous material. Manufacturing of Sugar Cane Harvester & agricultural equipment's. Renting of premises, Hotel services. | | |
| CIN | U29199MH1949PTC007210 | | |
| PAN Card No. | AAACT9142M | | |
| Registered Office Address | 392 E Shahupuri, Assembly Road, Kolhapur-416001 | | |
| No. of Equity Shares held in SGIL [% of Shareholding (Pre-Issue)] | 54,09,964 Equity Shares of Rs.10 each; 38.29% of Pre- Issue Paid up capital. | | |
| No. of Preference Shares held in SGIL [% of Shareholding (Pre-Issue)] | 5,96,000 Preference shares of Rs 100 each; 55.65% of Pre- Issue Paid up capital. | | |
| Board of Directors* | Name | DIN | |
| | Mr. Rajendra Vinayak Shirgaokar | 00542644 | |
| | Mr. Prafulla Vinayak Shirgaokar | 00151114 | |
| | Mr. Shishir Suresh Shirgaokar | 00166189 | |
| | Mr. Chandan Sanjeev Shirgaokar | 00208200 | |
| | Mr. Niraj Shishir Shirgaokar | 00254525 | |
| | Mr. Sachin Rajendra Shirgaokar | 00254442 | |
| | Mr. Sohan Sanjeev Shirgaokar | 00217631 | |
| | Mr. Jeevan Vasant Shirgaokar | 00254572 | |
| Audited Financial Information | (Rs. in Lacs, except per share data) | | |
| | For The Year Ended | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| | Paid up Equity Share Capital | 809.43 | 809.43 |
| Reserves and Surplus (excluding Revaluation Reserve and Less Misc. Expenses, if any) | 6522.15 | 4120.75 | 3851.53 |
| Net worth | 7331.58 | 4930.18 | 4660.96 |
| Income including other income and exceptional items | 21381.47 | 12255.72 | 8583.45 |
| Profit/ (Loss) after tax | 2684.70 | 431.11 | 470.05 |
| Earnings per share (face value of Rs. 100 each) | 331.68 | 53.26 | 58.07 |

*As on date of draft Letter of offer.

Shareholding Pattern as on the date of this Draft Letter of offer is as follows:

| S.B. Reshellers Private Limited - List of Equity Shareholders as on date | | | | | |
|---------------------------------------------------------------------------------|---------------------|----------------------------------------------------------|-------------------|----------------------|------------------|
| Equity Shares of Rs. 100 each | | | | | |
| Sr. No. | Folio Number | Name of Shareholders (Promoters) | No. Shares | Nominal Value | Holding % |
| 1 | 84 | Sachin Rajendra Shirgaokar & Laxmi Sachin Shirgaokar | 43,411 | 43,41,100 | 5.36 |
| 2 | 59 | Radhika Sanjeev Shirgaokar & Chandan Sanjeev Shirgaokar | 1,20,279 | 1,20,27,900 | 14.86 |
| 3 | 60 | Radhika Sanjeev Shirgaokar & Sohan Sanjeev Shirgaokar | 1,20,278 | 1,20,27,800 | 14.86 |
| 4 | 8 | Radhika Sanjeev Shirgaokar | 2,719 | 2,71,900 | 0.34 |
| 5 | 24 | V. S. Shirgaokar Enterprises LLP | 76,644 | 76,64,400 | 9.47 |
| 6 | 39 | Tarini Sanat Shirgaokar | 65,263 | 65,26,300 | 8.06 |
| 7 | 71 | D. M. Shirgaokar Enterprises LLP | 53,034 | 53,03,400 | 6.55 |
| 8 | 86 | Shishir Suresh Shirgaokar & Savita Shishir Shirgaokar | 40,634 | 40,63,400 | 5.02 |
| 9 | 77 | Laxmi Sachin Shirgaokar & Sachin Rajendra Shirgaokar | 39,984 | 39,98,400 | 4.94 |
| 10 | 61 | Prabhakar Shirgaokar Enterprises LLP | 38,356 | 38,35,600 | 4.74 |
| 11 | 101 | Suresh Shirgaokar Enterprises LLP | 30,360 | 30,36,000 | 3.75 |
| 12 | 52 | Asha Anant Huilgol & Namita Sandeep Huilgol | 22,736 | 22,73,600 | 2.81 |
| 13 | 31 | Shishir Shirgaokar Enterprises LLP | 19,304 | 19,30,400 | 2.38 |
| 14 | 2 | Prafulla Vinayak Shirgaokar & Smita Prafulla Shirgaokar | 17,017 | 17,01,700 | 2.1 |
| 15 | 32 | S. S. Shirgaokar Enterprises LLP | 15,768 | 15,76,800 | 1.95 |
| 16 | 85 | Rajendra Vinayak Shirgaokar & Sachin Rajendra Shirgaokar | 15,157 | 15,15,700 | 1.87 |
| 17 | 29 | Prafulla Shirgaokar Enterprises LLP | 11,422 | 11,42,200 | 1.41 |
| 18 | 14 | Kunda Kumar Shirgaokar | 9,309 | 9,30,900 | 1.15 |
| 19 | 38 | Niraj Shishir Shirgaokar & Shishir Suresh Shirgaokar | 7,685 | 7,68,500 | 0.95 |
| 20 | 87 | Smita Prafulla Shirgaokar & Prafulla Vinayak Shirgaokar | 7,507 | 7,50,700 | 0.93 |
| 21 | 17 | Jeevan Vasant Shirgaokar | 7,410 | 7,41,000 | 0.92 |
| 22 | 98 | Savita Shishir Shirgaokar & Shishir Suresh Shirgaokar | 6,926 | 6,92,600 | 0.86 |
| 23 | 96 | Mukund Krishnaji Kulkarni HUF | 5,880 | 5,88,000 | 0.73 |
| 24 | 45 | Prafulla Vinayak Shirgaokar HUF | 5,744 | 5,74,400 | 0.71 |
| 25 | 99 | Shishir Suresh Shirgaokar HUF | 5,484 | 5,48,400 | 0.68 |
| 26 | 100 | Sanjeev S Shirgaokar HUF | 5,483 | 5,48,300 | 0.68 |
| 27 | 97 | Rajendra Vinayak Shirgaokar HUF | 5,219 | 5,21,900 | 0.64 |
| 28 | 79 | Asawari Niraj Shirgaokar & Niraj Shishir Shirgaokar | 4,203 | 4,20,300 | 0.52 |
| 29 | 82 | Chandan Sanjeev Shirgaokar | 2,805 | 2,80,500 | 0.35 |
| 30 | 81 | Rishabh Sanat Shirgaokar | 984 | 98,400 | 0.12 |
| 31 | 83 | Sohan Sanjeev Shirgaokar | 910 | 91,000 | 0.11 |
| 32 | 78 | Niraj Shishir Shirgaokar & Asawari Niraj Shirgaokar | 467 | 46,700 | 0.06 |
| 33 | 91 | Shraddha Dinkar Shirgaokar | 435 | 43,500 | 0.05 |
| 34 | 92 | Sandhya Ashok Gupta | 435 | 43,500 | 0.05 |
| 35 | 40 | Ugar Pipe Industries Private Limited | 150 | 15,000 | 0.02 |
| 36 | 95 | Sohan Sanjeev Shirgaokar HUF | 25 | 2,500 | 0 |
| Total | | | 8,09,427 | 8,09,42,700 | 100.00 |

Nature and extent of interest of our Promoters: -

Our Promoters along with immediate relative holds 99.27% of equity share capital in S.B. Reshellers Private Limited.

S.B. Reshellers Private Limited is an unlisted private Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

OUR INDIVIDUAL PROMOTERS:

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter' Group:

a. The following individuals form a part of the Promoter' Group:

| Relationship with Promoter | Mr. Sachin Rajendra Shirgaokar | Mr. Sohan Sanjeev Shirgaokar | Mr. Vendavagali Srinivasa Reddy |
|----------------------------|---------------------------------------|------------------------------|----------------------------------------------|
| Father | Rajendra Shirgaokar | Late Sanjeev Shirgaokar | Late Vendavagali Narayana Reddy |
| Mother | Late Meena Shirgaokar | Radhika Shirgaokar | Vendavagali Yashoda |
| Spouse | Laxmi Shirgaokar | Gauri Shirgaokar | Vendavagali Kuberi Reddy |
| Brother | - | Chandan Shirgaokar | - |
| Sister | Madhavi Dalvi | - | N. Santhi B. Sakuntala |
| Son/s | - | - | - |
| Daughter | Priya Shirgaokar Shreya Shirgaokar | - | V. Manasa Reddy V. Manjeera Reddy |
| Spouse's Father | Late Yashwant Ginde | Sanjiv Y. Kamat | Late R. M. Narsinha Reddy |
| Spouse's Mother | Padma Ginde | Jyotsna S. Kamat | R. M. Laxmidevi |
| Spouse's Brother | Harish Ginde | Sushant S. Kamat | R. M. Malikarjuna Reddy |
| Spouse's Sister | - | - | K. Vanajmma, P. Somu, R.M.Sulochanamma |

b. Companies, Firms, Entities and HUFs forming part of Promoter/ Promoter Group:

| Sr. No. | Name of Entities |
|---------|---------------------------------------|
| 1. | S B Reshellers Private Limited |
| 2. | D M Shirgaokar Enterprises LLP |
| 3. | V S Shirgaokar Enterprises LLP |
| 4. | Suresh Shirgaokar Enterprises LLP |
| 5. | Prafulla Shirgaokar Enterprises LLP |
| 6. | Prabhakar Shirgaonkar Enterprises LLP |
| 7. | Shishir Shirgaokar Enterprises LLP |

DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION VII
FINANCIAL INFORMATION

FINANCIAL STATEMENTS

| Sr. No. | Particulars | Page Numbers |
|----------------|------------------------------------------------------------------------------------|---------------------|
| 1. | Audited Financial Result for the year ended March 31, 2024 along with audit report | F1-F7 |
| 2. | Unaudited Financial Results for quarter and nine months ended December 31, 2023 | F8-F10 |
| 3. | Unaudited Financial Results for quarter and nine months ended December 31, 2022 | F1-13 |
| 4. | FY 2023 Audited Financial Statements | F14-F70 |
| 5. | FY 2022 Audited Financial Statements | F71-F132 |

Synergy Green Industries Limited

Regd. Office :392, E Ward, Assembly Road, Shahupuri, Kolhapur. 416 001
E mail : cs@synergygreenind.com., Website : www.synergygreenind.com
CIN : L27100PN2010PLC137493

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2024

(Rs. In Lakhs except EPS)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|-------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| | | 31.03.24 | 31.12.23 | 31.03.23 | 31.03.24 | 31.03.23 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Income | | | | | |
| | Revenue from operations | 8,231.03 | 8,821.70 | 8,518.34 | 32,630.97 | 28,971.17 |
| | Other income | 100.89 | 32.93 | 15.28 | 181.73 | 70.48 |
| | Total income | 8,331.92 | 8,854.63 | 8,533.62 | 32,812.70 | 29,041.65 |
| 2 | Expenses | | | | | |
| (a) | Cost of materials consumed | 3,383.77 | 3,130.40 | 3,220.42 | 13,202.09 | 13,220.75 |
| (b) | Changes in inventories of finished goods, Work in-progress and traded goods | (282.24) | 939.97 | 814.22 | 364.50 | (679.51) |
| (c) | Employee benefit expenses | 801.53 | 738.57 | 622.33 | 2,783.95 | 2,418.62 |
| (d) | Finance costs | 332.07 | 334.82 | 330.96 | 1,334.94 | 1,407.87 |
| (e) | Depreciation and amortisation expense | 322.94 | 312.74 | 308.53 | 1,209.48 | 1,198.95 |
| (f) | Other expenses | 3,370.51 | 3,037.59 | 2,778.56 | 12,352.18 | 11,405.68 |
| | Total expenses | 7,928.58 | 8,494.09 | 8,075.02 | 31,247.14 | 28,972.36 |
| 3 | Profit before exceptional items and tax (1-2) | 403.34 | 360.54 | 458.60 | 1,565.56 | 69.29 |
| 4 | Exceptional items | - | - | - | - | - |
| 5 | Profit before tax (3-4) | 403.34 | 360.54 | 458.60 | 1,565.56 | 69.29 |
| 6 | Tax expense | | | | | |
| | i Current tax | 37.30 | 98.00 | - | 359.60 | - |
| | ii Deferred tax | 40.64 | 1.09 | 115.52 | 49.72 | (17.45) |
| | Total tax expense (6) | 77.94 | 99.09 | 115.52 | 409.32 | (17.45) |
| 7 | Profit for the year/period (5-6) | 325.40 | 261.45 | 343.08 | 1,156.24 | 86.74 |
| 8 | Other comprehensive income / (Expense) | | | | | |
| (a) i | Other Comprehensive income not to be reclassified to Profit or Loss in subsequent periods | - | - | - | - | - |
| | ii Re-measurement gains/(losses) on defined benefit obligation | 1.15 | (11.85) | 22.92 | 2.52 | 10.85 |
| | iii Income tax effect on above | (0.29) | 2.99 | (5.77) | (0.63) | (2.73) |
| (b) i | Other Comprehensive income to be reclassified to Profit or Loss in subsequent periods | - | - | - | - | - |
| | ii Total other Comprehensive income for the year/period, net of tax (8) | 0.87 | (8.86) | 17.15 | 1.89 | 8.12 |
| 9 | Total Comprehensive income for the period, net of tax (7+8) | 326.27 | 252.59 | 360.23 | 1,158.13 | 94.86 |
| 10 | Paid up Equity Share Capital | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 |
| | (Face Value of Re.10/- each) | | | | | |
| 11 | Other equity excluding revaluation reserve | - | - | - | 3,256.33 | 2,098.22 |
| 12 | Basic and Diluted E.P.S. of Rs.10/- (not annualised) | 2.30 | 1.85 | 2.43 | 8.18 | 0.61 |

Note 1

Disclosure of statement of assets and liabilities as per clause 41 (I) (ea) of the Listing Agreement for the year ended 31st March 2024

Amount Rs. in lakhs

| Sr. No. | Particulars | 31-Mar-2024 | 31-Mar-2023 |
|------------|------------------------------------------|------------------|------------------|
| | ASSETS | | |
| I. | Non-current assets | 9,023.28 | 8,178.95 |
| | (a) Property, plant and equipment | 7,848.41 | 6,901.89 |
| | (b) Capital work-in-progress | 877.88 | 1,096.29 |
| | (c) Other Intangible assets | 13.63 | 16.72 |
| | (d) Financial assets | | |
| | (i) Investments | 0.25 | 0.25 |
| | (ii) Other financial assets | 16.96 | 15.44 |
| | (e) Other non-current assets | 266.15 | 148.36 |
| II. | Current assets | 10,777.07 | 9,997.64 |
| | (a) Inventories | 5,597.04 | 6,312.56 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 3,439.23 | 2,207.49 |
| | (ii) Cash and cash equivalents | 406.43 | 28.91 |
| | (iii) Bank balance other than (ii) above | 629.55 | 579.01 |
| | (iv) Other financial assets | 178.23 | 245.76 |
| | (c) Current tax assets (net) | 4.60 | - |
| | (d) Other current assets | 521.99 | 623.91 |
| | Total Assets | 19,800.35 | 18,176.59 |
| | EQUITY AND LIABILITIES | | |
| | Equity | 4,669.33 | 3,511.22 |
| | (a) Equity share capital | 1,413.00 | 1,413.00 |
| | (b) Other equity | 3,256.33 | 2,098.22 |
| | Retained earnings | 1,000.61 | (157.50) |
| | Security Premium | 2,255.72 | 2,255.72 |
| | Liabilities | | |
| I. | Non-current liabilities | 3,408.90 | 4,774.62 |
| | (a) Financial liabilities | | |
| | (i) Long Term Borrowings | 3,169.27 | 4,206.06 |
| | (ii) Other financial liabilities | 0.12 | 428.52 |
| | (b) Long-term provisions | 160.60 | 111.49 |
| | (c) Deferred tax liabilities (net) | 78.91 | 28.55 |
| II. | Current liabilities | 11,722.12 | 9,890.75 |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 4,824.07 | 4,160.19 |
| | (ii) Trade and other payables | 5,361.98 | 5,204.00 |
| | (iii) Other financial liabilities | 1,486.24 | 451.10 |
| | (b) Other current liabilities | 31.62 | 54.78 |
| | (c) Short-term provisions | 18.21 | 20.68 |
| | Total Equity and Liabilities | 19,800.35 | 18,176.59 |

Note 2

Cash flow statement for the year ended 31st March 2024

| | | Amount Rs. in lakhs | |
|----------|-----------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Sr. No. | Particulars | For the period ended 31st March 2024 | For the year ended 31st March 2023 |
| A | Cash flows from operating activities | | |
| | Net profit before taxes and extraordinary items - | 1,565.56 | 69.29 |
| | Adjustments for: | | |
| (a) | Depreciation & Amortisation | 1,209.48 | 1,198.95 |
| (b) | Provision for Doubtful Debts | 1.50 | 17.72 |
| (c) | (Profit)/Loss on sale of fixed assets | (7.79) | (10.29) |
| (d) | Provision no Longer required written back | (87.44) | - |
| (e) | Advances written off | 81.50 | - |
| (f) | Interest income | (37.18) | (26.62) |
| (g) | Interest expenses | 1,256.99 | 1,407.87 |
| (h) | Bad Debts Write Off | 87.63 | - |
| (i) | Dividend received | (0.03) | - |
| (j) | Foreign Exchange (Gain)/Loss | (46.71) | 37.30 |
| (k) | Fair Value Changes in Financial Liabilities (FVTPL) | (7.55) | - |
| (l) | Credit Balances Written back | (0.40) | - |
| | Operating profits before working capital changes | 4,015.56 | 2,694.22 |
| | Adjustments for: | | |
| (a) | (Increase)/decrease in trade and other receivables | (1,228.62) | 1,022.87 |
| (b) | (Increase)/decrease in other non current financial assets | (1.53) | - |
| (c) | (Increase)/decrease in other non-financial assets | 101.91 | 385.52 |
| (d) | (Increase)/decrease in inventories | 715.89 | (247.71) |
| (e) | (Increase)/decrease in other current financial assets | 67.52 | 90.31 |
| (f) | Increase/(decrease) in trade payables | 158.37 | (1,274.15) |
| (g) | Increase/(decrease) in other financial liabilities | 252.71 | (10.54) |
| (h) | Increase/(decrease) in other current liabilities | (23.15) | (159.79) |
| (i) | Increase/(decrease) in Provisions | 49.16 | 8.72 |
| | Cash generated from operations | 4,107.82 | 2,509.45 |
| (a) | Income tax paid | (339.16) | 57.21 |
| | Net cash from operating activities | 3,768.66 | 2,566.66 |
| B | Cash flows from investing activities | | |
| (a) | Payments for PPE and Intangible assets | (1,924.47) | (1,034.77) |
| (b) | Proceeds from sale of PPE | 29.33 | 25.00 |
| (c) | Purchase of Investments | - | (0.25) |
| (d) | Interest received | 37.18 | 26.62 |
| (e) | Dividend Received | 0.03 | - |
| (f) | (Increase)/decrease in fixed deposits | (50.54) | (395.23) |
| | Net cash from investing activities | (1,908.47) | (1,378.63) |
| C | Cash flows from financing activities | | |
| (a) | Proceeds from Long Term Borrowings | 744.82 | 893.54 |
| (b) | Repayment of Long Term Borrowings | (1,631.39) | (775.90) |
| (c) | Proceeds from Short Term Borrowings | 555.57 | - |
| (d) | Interest paid | (1,151.67) | (1,285.38) |
| | Net cash used in financing activities | (1,482.67) | (1,167.74) |
| (a) | Net increase in cash and cash equivalents | 377.52 | 20.29 |
| (b) | Cash and cash equivalents at beginning of period | 28.91 | 8.62 |
| (c) | Cash and cash equivalents at the end of period | 406.43 | 28.91 |

Notes to Cash Flow Statement

| | |
|---|------------------------------------------------------------------------------------------------------------|
| i | Cash Flow statement has been prepared under indirect method as set out in Ind AS 7 Statement of Cash Flow. |
|---|------------------------------------------------------------------------------------------------------------|

Notes:

| | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | The Company operates only in one segment, i.e. "Manufacturing of Metal Castings". |
| 4 | The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 Ind As-34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies accepted in India and is in compliance with presentation and disclosure requirements of regulation 33 of the SEBI (LODR) Regulations 2015 as amended. |
| 5 | The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 22nd May 2024. |
| 6 | The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year up to 31st March 2024 and 31st March 2023 and the unaudited year to date figures up to 31st December 2023 and 31st December 2022, being the date of the end of third quarter of the financial year, which are subjected to limited review. |
| 7 | The Board of Directors have recommend Preference Dividend of Rs.10/- per Preference Shares of Rs.100/- each on 10% Redeemable Cumulative Preference Shares per year for last 5 years i.e. from F.Y. 2019-20 to F.Y. 2023-24, subject to approval of members. |
| 8 | Figures for the previous period are regrouped or reclassified wherever necessary. |

Kolhapur

22nd May 2024

For and on behalf of Board of Directors

SACHIN
RAJENDRA
SHIRGAOKAR

Digitally signed by
SACHIN RAJENDRA
SHIRGAOKAR
Date: 2024.05.22
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Sachin R. Shirgaokar

Chairman and Managing Director

DIN:00254442

Independent Auditor's Report on the Quarterly and Annual Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,

The Board of Directors
Synergy Green Industries Limited

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying quarterly and annual financial results of Synergy Green Industries Limited (the "Company") for the quarter ended and year ended March 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter year ended March, 2024 as well as year to date results for the period from 1st April 2023 to 31st March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report.

We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The quarterly financial results as well as year to date financial results have been prepared on basis of Interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

M/s DAB & Associates

Chartered Accountants

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial results

Our objectives are to obtain reasonable assurance about whether the financial results 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 financial results.

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

We also:

- Identify and assess the risks of material misstatement of the financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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.

M/s DAB & Associates

Chartered Accountants

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

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

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

Other Matters

The quarterly financial results for the period ended March 31, 2024, are the derived figures between the audited figures in respect of the year ended March 31, 2024, and the published year-to-date figures up to December 31, 2023, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Opinion is not modified in respect of the above matter.

For M/s DAB & Associates

Chartered Accountants

Firm's Reg. No.: 101119W

GURUPRASAD SURESH BOBHATE
Digitally signed
by GURUPRASAD
SURESH
BOBHATE

Guruprasad Bobhate

Partner

Membership No. 198670

UDIN: 24198670BKGQQR4787

Kolhapur

Date: 22nd May 2024

Independent Auditor's Review Report On unaudited quarterly and period to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To,
The Board of Directors
Synergy Green Industries Limited
392 E-Ward, Shahupuri,
Kolhapur – 416001.

We have reviewed the accompanying statement of unaudited financial results of **Synergy Green Industries Limited for the quarter and nine months ended December 31, 2023**, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. It has been prepared in accordance with Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

For M/s D A B & ASSOCIATES
Chartered Accountants
Firm Registration No. 101119W

Guruprasad Bobhate
Partner
Membership No.198670
UDIN: 24198670BKGQQA1583

Place: Kolhapur

Date: 14th February 2024.

SYNERGY GREEN INDUSTRIES LIMITED
Regd. Office :392, E Ward, Assembly Road, Shahupuri, Kolhapur - 416 001
E mail: cs@synergygreenind.com, Website: www.synergygreenind.com
CIN: L27100PN2010PLC137493

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DEC,
2023**

(Rs. In Lakhs except EPS)

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|----------|-------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-------------------|------------------|------------------|
| | | 31.12.23 | 30.09.23 | 31.12.22 | 31.12.23 | 31.12.22 | 31.03.23 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income | | | | | | |
| | Revenue from operations | 8,821.70 | 7,195.29 | 6,781.24 | 24,399.94 | 20,452.83 | 28,971.17 |
| | Other income | 32.27 | 11.47 | 8.66 | 80.84 | 28.38 | 43.66 |
| | Total income | 8,853.97 | 7,206.76 | 6,789.90 | 24,480.78 | 20,481.21 | 29,014.83 |
| 2 | Expenses | | | | | | |
| (a) | Cost of materials consumed | 3,130.40 | 3,449.34 | 3,332.17 | 9,818.32 | 10,000.33 | 13,220.75 |
| (b) | Changes in inventories of finished goods, Work in-progress and traded goods | 939.97 | (1,101.27) | (485.59) | 646.74 | (1,493.73) | (679.51) |
| (c) | Employee benefit expenses | 738.57 | 649.80 | 615.23 | 1,982.42 | 1,796.29 | 2,418.62 |
| (d) | Finance costs | 334.82 | 319.46 | 414.60 | 998.28 | 1,076.91 | 1,407.87 |
| (e) | Depreciation and amortisation expenses | 312.74 | 297.25 | 302.14 | 886.54 | 890.42 | 1,198.95 |
| (f) | Other expenses | 3,036.93 | 3,155.10 | 2,682.49 | 8,986.27 | 8,600.30 | 11,378.86 |
| | Total expenses | 8,493.43 | 6,769.68 | 6,861.04 | 23,318.57 | 20,870.52 | 28,945.54 |
| 3 | Profit before exceptional items and tax (1-2) | 360.54 | 437.08 | (71.14) | 1,162.21 | (389.31) | 69.29 |
| 4 | Exceptional items | | | | | | |
| 5 | Profit before tax (3-4) | 360.54 | 437.08 | (71.14) | 1,162.21 | (389.31) | 69.29 |
| 6 | Tax expense | | | | | | |
| i | Current tax | 98.00 | 118.12 | - | 322.30 | - | - |
| ii | Deferred tax | 1.09 | (1.57) | 1.08 | 9.08 | (132.97) | (17.45) |
| iii | Adjustments of tax relating to earlier periods | - | - | - | - | - | - |
| | Total tax expense (6) | 99.09 | 116.55 | 1.08 | 331.38 | (132.97) | (17.45) |
| 7 | Profit for the year/period (5-6) | 261.45 | 320.53 | (72.22) | 830.83 | (256.34) | 86.74 |
| 8 | Other comprehensive income / (Expense) | | | | | | |
| (a) i | Other Comprehensive income not to be reclassified to Profit or Loss in subsequent periods | - | - | - | - | - | - |

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---------|---------------------------------------------------------------------------------------|---------------|---------------|----------------|-------------------|-----------------|--------------|
| | | 31.12.23 | 30.09.23 | 31.12.22 | 31.12.23 | 31.12.22 | 31.03.23 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| ii | Re-measurement gains/(losses) on defined benefit obligation | (11.85) | 10.51 | (4.03) | 1.37 | (12.07) | 10.85 |
| iii | Income tax effect on above | 2.99 | (2.65) | 1.02 | (0.34) | 3.04 | (2.73) |
| (b) i | Other Comprehensive income to be reclassified to Profit or Loss in subsequent periods | - | - | - | - | - | - |
| ii | Total other Comprehensive income for the year/period, net of tax (8) | (8.86) | 7.86 | (3.01) | 1.03 | (9.03) | 8.12 |
| 9 | Total Comprehensive income for the period, net of tax (7+8) | 252.59 | 328.39 | (75.23) | 831.86 | (265.37) | 94.86 |
| 10 | Paid up Equity Share Capital (Face Value of Re.10/- each) | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 |
| 11 | Other equity excluding revaluation reserve | | | | | | 2,098.22 |
| 12 | Basic and Diluted E.P.S. of Rs.10/- (not annualised) | 1.85 | 2.27 | (0.51) | 5.88 | (1.81) | 0.61 |

Notes:

1. The Company operates only in one segment, i.e. Manufacturing of Metal Castings.
2. The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 14th February, 2024 and limited review of the same was carried out by the Statutory auditors of the Company.
4. Figures for the previous period are regrouped or reclassified wherever necessary.

For, **Synergy Green Industries Limited**

Sachin R. Shirgaokar
Chairman & Managing Director

Date: 14th February 2024

Independent Auditor's Review Report on unaudited quarterly and nine months ended financial results of the Synergy Green Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Synergy Green Industries Limited
392 E-Ward, Shahupuri,
Kolhapur – 416001.

We have reviewed the accompanying statement of unaudited Financial Results (the "statement") of Synergy Green Industries Limited (the "Company") for the quarter and nine months ended **31st December 2022**, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by Independent Auditors of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

For M/s D A B & ASSOCIATES
Chartered Accountants
Firm Registration No. 101119W

Guruprasad Bobhate
Partner
Membership No.198670
UDIN: 23198670BGZGKS2862

Place: Kolhapur

Date: 14th February 2023

SYNERGY GREEN INDUSTRIES LIMITED
Regd. Office : 392, E Ward, Assembly Road, Shahupuri, Kolhapur - 416 001
E mail: cs@synergygreenind.com, **Website:** www.synergygreenind.com
CIN: L27100PN2010PLC137493

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER,2022 (Rs. In Lakhs except EPS)

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended on |
|------------|-------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-------------------|------------------|------------------|
| | | 31.12.2022 | 30.09.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 | 31.03.22 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income | | | | | | |
| | Revenue from operations | 6,781.24 | 8,503.80 | 7,056.51 | 20,452.83 | 20,156.63 | 28,377.27 |
| | Other income | 8.66 | 16.46 | 26.94 | 28.38 | 88.24 | 114.42 |
| | Total income | 6,789.90 | 8,520.26 | 7,083.45 | 20,481.21 | 20,244.87 | 28,491.69 |
| 2 | Expenses | | | | | | |
| (a) | Cost of materials consumed | 3,332.17 | 3,723.57 | 3,496.76 | 10,000.33 | 9,205.31 | 12,790.76 |
| (b) | Changes in inventories of finished goods, work in-progress and traded goods | (485.59) | 37.98 | (246.24) | (1,493.73) | (197.16) | (465.34) |
| (c) | Employee benefit expenses | 615.23 | 609.97 | 587.08 | 1,796.29 | 1,709.05 | 2,340.39 |
| (d) | Finance costs | 414.60 | 348.08 | 273.78 | 1,076.91 | 883.72 | 1,149.77 |
| (e) | Depreciation and amortisation expense | 302.14 | 298.92 | 277.72 | 890.42 | 749.50 | 1,063.93 |
| (f) | Other expenses | 2,682.49 | 3,579.97 | 2,781.76 | 8,600.30 | 7,949.62 | 11,305.55 |
| | Total expenses | 6,861.05 | 8,598.49 | 7,170.86 | 20,870.53 | 20,300.04 | 28,185.06 |
| 3 | Profit before exceptional items and tax (1-2) | (71.15) | (78.23) | (87.41) | (389.32) | (55.17) | 306.63 |
| 4 | Exceptional items | | | | | | |
| 5 | Profit before tax (3-4) | (71.15) | (78.23) | (87.41) | (389.32) | (55.17) | 306.63 |
| 6 | Tax expense | | | | | | |
| i | Current tax | | | | | | |
| ii | Deferred tax | 1.08 | (70.80) | 19.75 | (132.97) | (6.07) | 163.81 |
| iii | Adjustments of tax relating to earlier periods | | | - | | | |
| | Total tax expense (6) | 1.08 | (70.80) | 19.75 | (132.97) | (6.07) | 163.81 |
| 7 | Profit for the year/period (5-6) | (72.23) | (7.43) | (107.16) | (256.35) | (49.10) | 142.82 |
| 8 | Other comprehensive income / (Expense) | | | | | | |
| (a) i | Other Comprehensive income not to be reclassified to Profit or Loss in subsequent periods | - | - | | | | |
| | Re-measurement gains/(losses) on defined benefit obligation | (4.03) | 1.37 | (7.72) | (12.07) | (23.17) | (37.67) |
| ii | Income tax effect on above | 1.02 | (0.35) | 1.94 | 3.04 | 5.83 | 9.48 |
| (b) i | Other Comprehensive income to be reclassified to Profit or Loss in subsequent periods | | | | | | |

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended on |
|---------|-----------------------------------------------------------------------------|----------------|---------------|-----------------|-------------------|----------------|---------------|
| | | 31.12.2022 | 30.09.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 | 31.03.22 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| ii | Income tax effect on above | | | | | | |
| | Total other Comprehensive income for the year/period, net of tax (8) | (3.01) | 1.03 | (5.78) | (9.03) | (17.34) | (28.19) |
| 9 | Total Comprehensive income for the period, net of tax (7+8) | (75.24) | (6.40) | (112.94) | (265.39) | (66.44) | 114.63 |
| 10 | Paid up Equity Share Capital (Face Value of Re.10/- each) | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 | 1,413.00 |
| 11 | Other equity excluding revaluation reserve | | | | | | 2,003.38 |
| 12 | Basic and Diluted E.P.S. of Rs.10/- (not annualised) | (0.51) | (0.05) | (0.76) | (1.81) | (0.35) | 1.01 |

Notes:

1. The Company operates only in one segment, i.e. “Manufacturing of Metal Castings.”
2. The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 14th February, 2023 and limited review of the same was carried out by the Statutory auditors of the Company.
4. Figures for the previous period are regrouped or reclassified wherever necessary.

For, **Synergy Green Industries Limited**

Sachin R. Shirgaokar
Chairman & Managing Director

Date: 14th February 2023

INDEPENDENT AUDITORS' REPORT

To the Members of
Synergy Green Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited Financial Statements of Synergy Green Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information in Directors Report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

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

Recoverability of Trade Receivables:

The company has significant trade receivables at year end which comprises of almost 12.14% of Total Assets of the company. Given the size of the balances and the risk that some of the trade receivables may not be recoverable, judgement is required to evaluate whether any provision should be made to reflect the risk. Assessment of the recoverability of trade receivables is inherently subjective and requires significant management judgement (which includes repayment history and financial position of entities from whom these balances are recoverable, terms of underlying arrangements, overdue balances, market conditions etc.).

We have performed following audit procedure for above Key Audit Matter:

1. Obtaining an understanding of and assessing the design, implementation, and operating effectiveness of the Company's key internal controls over the expected credit loss (ECL) policy of estimating the loss allowance for trade receivables

including adherence to the requirements of the relevant Indian accounting standards.

2. Discussion with management about status and prospects of suits filled with NCLT for receivables and assessment of requirement for provisioning.
3. Assessing the company's ECL policy for provisioning towards trade receivables.
4. Understanding the key inputs used in the ECL policy by the company such as repayment history, terms of underlining arrangements, overdue balances, market conditions, expert's opinion etc.
5. Obtaining an understanding and assessing the reasonableness of the key outputs derived from provisioning ECL policy, as well as key judgements and assumptions used by the management.
6. Obtaining balance confirmation from debtors on sample basis and matching payable balances in this confirmation with the receivable balances of the company and addressing the reconciliation item.
7. Performed on a sample basis subsequent receipt testing of trade receivable balances post year end.
8. Disclosure requirements as per schedule III of the company's Act and Ind AS were verified.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 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 B”.
 - g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 and Schedule V of the Act read with Companies (Appointment and Managerial Personnel) Rules, 2014 and remuneration paid to directors is in accordance with provisions of this section read with Schedule V.
 - 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, 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 – Refer Note 34 to the Financial Statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material

foreseeable losses, if any, on long-term contracts including derivative contracts — Refer Note 18 to the Financial Statements;

- (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 to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the Financial Statements, if any, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- (v) The Company has not declared or paid dividend during the year.
- (vi) The requirement to the use of accounting software for maintaining Company’s books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2023.

For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

Guruprasad Bobhate
Partner
Membership No. 198670
UDIN: 23198670BGZGLG3632

Place: Kolhapur
Date: 26th May 2023

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of 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, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 1 Property, Plant & Equipment to the Ind AS financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory as compared to book records and have been appropriately dealt with in the books of accounts.
- (b) According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. In our opinion, these quarterly returns or statements are in agreement with the books of account of the Company.
- iii. (a) The company during the year has made investments in companies, firms, Limited Liability Partnerships, or any other parties. The Company has not stood any guarantee or provided any security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties and reporting under clause 3 (iii) (c), (d), (e), (f) is not applicable to the company.
- (b) In terms of the information and explanations given to us and the books of account and records examined by us, investments made during the year are not prejudicial to the Company's interest.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules made thereunder to the extent notified, with regard to the deposits from members. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Goods and Service Tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs though there is slight delay in a few cases duty of excise, value added tax, cess as applicable with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues, Goods and Service Tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at 31st March 2023 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs. lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|-------------------------------------|----------------------|--------------------|------------------------------------|------------------------------------------------------|
| Service Tax under Finance Act, 1994 | Central Excise Duty | 2.95 | 2012-13 & 2013-14 | The Commissioner of Central GST (Appeals), Pune |
| Goods & Services Tax Act, 2017 | Excess refund of GST | 507.22 | 2017-2018 | Deputy Commissioner of State tax (Appeals), Kolhapur |

- viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.
- (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 company has utilized the money obtained by way of term loans during the year 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 Ind AS financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.'
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) (a) of the Order are not applicable to the Company.
(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi)(b) of the order is not applicable.
(c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
(d) Based on information and explanation given to us and as represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group.
- xvii. The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.
- xviii. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

**For M/s DAB & Associates
Chartered Accountants Firm
Registration No. 101119W**

**Guruprasad Bobhate
Partner
Membership No.198670
UDIN: 23198670BGZGLG3632**

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to the Financial Statements of Synergy Green Industries Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

Meaning of Internal Financial controls with reference to the Financial Statements

A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements 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 with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, 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 with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements

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, adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W**

**Guruprasad Bobhate
Partner
Membership No. 198670
UDIN: 23198670BGZGLG3632**

Place: Kolhapur
Date: 26th May 2023

Balance Sheet as at March 31, 2023

(Rs. In Lakhs)

| Sr. No. | Particulars | Note No. | March 31, 2023 | March 31, 2022 |
|-----------|-----------------------------------------------------|----------|------------------|------------------|
| | ASSETS | | | |
| I | Non-current assets | | 8,178.95 | 8,566.56 |
| | (a) Property, plant and equipment | 1 | 6,901.89 | 7,590.21 |
| | (b) Capital work-in-progress | 1 | 1,096.29 | 689.59 |
| | (c) Other Intangible assets | 1 | 16.72 | 21.13 |
| | (d) Financial assets | | | |
| | (i) Investments | 2 | 0.25 | - |
| | (ii) Other financial assets | 3 | 15.44 | 15.44 |
| | (e) Other non-current assets | 4 | 148.36 | 250.19 |
| II | Current assets | | 9,997.64 | 10,851.55 |
| | (a) Inventories | 5 | 6,312.56 | 6,064.82 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 6 | 2,207.49 | 3,236.81 |
| | (ii) Cash and cash equivalents | 7a | 28.91 | 8.62 |
| | (iii) Bank balance other than (ii) above | 7b | 579.01 | 183.79 |
| | (iv) Other financial assets | 8 | 245.76 | 334.98 |
| | (c) Other current assets | 9 | 623.91 | 1,022.53 |
| | Total Assets | | 18,176.59 | 19,418.11 |
| | EQUITY AND LIABILITIES | | | |
| | Equity | | 3,511.22 | 3,416.38 |
| | (a) Equity share capital | 10 | 1,413.00 | 1,413.00 |
| | (b) Other equity | 11 | | |
| | (i) Retained earnings | | (157.50) | (252.34) |
| | (ii) Security Premium | | 2,255.72 | 2,255.72 |
| | Liabilities | | | |
| I | Non-current liabilities | | 4,729.87 | 4,746.78 |
| | (a) Financial liabilities | | | |
| | (i) Long Term Borrowings | 12 | 4,206.06 | 4,321.16 |
| | (ii) Other financial liabilities | 13 | 428.52 | 321.42 |
| | (b) Long-term provisions | 14 | 66.74 | 60.93 |
| | (c) Deferred tax liabilities (net) | 15 | 28.55 | 43.27 |
| II | Current liabilities | | 9,935.50 | 11,254.95 |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 16 | 4,160.19 | 3,919.07 |
| | (ii) Trade and other payables | 17 | | |
| | (a) Total outstanding dues of MSME | | 52.26 | 54.06 |
| | (b) Total outstanding dues other than (ii)(a) above | | 5151.74 | 6,421.62 |
| | (iii) Other financial liabilities | 18 | 451.10 | 583.12 |
| | (b) Other current liabilities | 19 | 54.78 | 214.57 |
| | (c) Short-term provisions | 20 | 65.43 | 62.51 |
| | Total Equity & Liabilities | | 18,176.59 | 19,418.11 |
| | Corporate Information, Basis of Preparation | 31 | | |
| | Statement of Compliance | 32 | | |
| | Significant Accounting Policies | 33 | | |
| | Other Information & Disclosure | 34-56 | | |

As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate
Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631

Place : Kolhapur
Date : May 26, 2023

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar Company
Secretary

Statement of Profit And Loss For The Year Ended March 31, 2023

(Rs. In Lakhs)

| Sr. No. | Particulars | Note No. | March 31, 2023 | March 31, 2022 |
|---------|----------------------------------------------------------------------------------------------------------|----------|------------------|------------------|
| | Income | | | |
| I | Revenue from operations | 21 | 28,971.17 | 28,377.27 |
| II | Other income | 22 | 43.66 | 114.42 |
| III | Total Income | | 29,014.83 | 28,491.69 |
| IV | Expenses | | | |
| IV | Cost of raw materials and components consumed | 23 | 13,220.75 | 12,790.76 |
| | Changes in inventories of finished goods, work-in-progress | 24 | (679.51) | (465.34) |
| | Employee benefits expense | 25 | 2,418.62 | 2,340.39 |
| | Finance costs | 26 | 1,407.87 | 1,149.77 |
| | Depreciation and amortisation expense | 27 | 1,198.95 | 1,063.93 |
| | Other Expenses | 28 | 11,378.86 | 11,305.55 |
| | Total Expenses | | 28,945.54 | 28,185.06 |
| V | Profit before exceptional items and tax | | 69.29 | 306.63 |
| VI | Exceptional items | | - | - |
| VII | Profit before tax | | 69.29 | 306.63 |
| VIII | Tax expense | 30 | (17.45) | 163.81 |
| | Current tax | | - | - |
| | Deferred tax | | (17.45) | 163.81 |
| IX | Profit for the year | | 86.74 | 142.82 |
| X | Other comprehensive income | | | |
| | A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| | Re-measurement gains / (losses) on defined benefit plans | 29 | 10.85 | (37.67) |
| | Income tax effect on above | 29 | (2.73) | 9.48 |
| | Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A) | | 8.12 | (28.19) |
| | Total other comprehensive income for the year, net of tax [A] | | 8.12 | (28.19) |
| XI | Total comprehensive income for the year, net of tax | | 94.86 | 114.63 |
| XII | Earnings per equity share (nominal value per share Rs.10) | | | |
| | Basic & Diluted | | 0.61 | 1.01 |
| | Corporate Information, Basis of Preparation | 31 | | |
| | Statement of Compliance | 32 | | |
| | Significant Accounting Policies | 33 | | |
| | Other Information & Disclosure | 34-56 | | |

As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
DYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate
Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631

Place : Kolhapur
Date : May 26, 2023

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar Company
Secretary

Cash Flow Statement for the Year Ended March 31, 2023

(Rs. In Lakhs)

| Sr. No. | Particulars | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|----------|---------------------------------------------------------|--------------------------------------|--------------------------------------|
| A | Cash flows from operating activities | | |
| | Net profit before taxes and extraordinary items - | 69.29 | 306.63 |
| | Adjustments for: | | |
| (a) | Depreciation | 1198.95 | 1063.93 |
| (b) | (Profit)/Loss on sale of fixed assets | (10.29) | (30.75) |
| (c) | Interest income | (26.62) | (27.41) |
| (d) | Foreign Exchange (Gain)/ Loss | 37.30 | 0.00 |
| (e) | Provision | 17.72 | 78.71 |
| (f) | Interest expenses | 1407.87 | 1149.77 |
| | Operating profits before working capital changes | 2694.22 | 2540.88 |
| | Adjustments for: | | |
| (a) | (Increase)/decrease in trade receivable | 1022.87 | (430.81) |
| (b) | (Increase)/decrease in other financial assets | 90.31 | 321.92 |
| (c) | (Increase)/decrease in other non-financial assets | 385.52 | (3.34) |
| (d) | (Increase)/decrease in inventories | (247.71) | (764.83) |
| (e) | Increase/(decrease) in trade payables | (1274.15) | 825.18 |
| (f) | Increase/(decrease) in other financial liabilities | (10.54) | 33.07 |
| (g) | Increase/(decrease) in other non-financial liabilities | (159.79) | 162.15 |
| (h) | Increase/(decrease) in Provisions | 8.72 | 35.70 |
| | Cash generated from operations | 2509.45 | 2719.92 |
| (a) | Income tax paid | 57.21 | 88.29 |
| | Net cash from operating activities | 2566.66 | 2808.21 |
| B | Cash flows from investing activities | | |
| (a) | Purchase of fixed assets | (1034.77) | (2639.86) |
| (b) | Proceeds from sale of other fixed assets | 25.00 | 103.36 |
| (c) | Interest received | 26.62 | 27.41 |
| (d) | Investment in Fixed Deposits | (395.23) | (4.93) |
| (e) | Purchase of Investments | (0.25) | 0.00 |
| | Net cash from investing activities | (1378.63) | (2514.02) |
| C | Cash flows from financing activities | | |
| (a) | Proceeds from Long Term Borrowings | 893.54 | 1158.82 |
| (b) | Repayment of Long Term Borrowings | (775.90) | (548.33) |
| (c) | Interest paid | (1285.38) | (1111.97) |
| | Net cash used in financing activities | (1167.74) | (501.48) |
| (a) | Net increase in cash and cash equivalents | 20.29 | (207.29) |
| (b) | Cash and cash equivalents at beginning of period | 8.62 | 215.91 |
| (c) | Cash and cash equivalents at the end of period | 28.91 | 8.62 |

Notes to Cash Flow Statement:

- Cash Flow statement has been prepared under indirect method as set out in Ind AS 7 Statement of Cash Flow.
- For Net Debt reconciliation statement refer note no.12
- For Company's policy on cash and cash equivalents refer a note no. 33.4

As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate
Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631

Place : Kolhapur
Date : May 26, 2023

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar Company
Secretary

Statement of changes in Equity for the year ended 31st March 2023

A. Equity Share Capital (Note 10):

Current reporting period

(Rs. In Lakhs)

| Equity Shares of Rs 10 each issued, subscribed and fully paid | No. of Shares | Amount |
|-------------------------------------------------------------------|---------------|-----------------|
| Opening Balance as on At 1 April 2022 | 141.30 | 1,413.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 141.30 | 1,413.00 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of current reporting period | 141.30 | 1,413.00 |

Previous reporting period

(Rs. In Lakhs)

| Equity Shares of Rs 10 each issued, subscribed and fully paid | No. of Shares | Amount |
|-------------------------------------------------------------------|---------------|-----------------|
| Opening Balance as on At 1 April 2021 | 141.30 | 1,413.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 141.30 | 1,413.00 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of previous reporting period | 141.30 | 1,413.00 |

B. Other Equity:

(Rs. In Lakhs)

| Particulars | Reserves and Surplus | | Total equity |
|--------------------------------------------------------------------------|----------------------|------------------|-----------------|
| | Securities Premium | Retained Earning | |
| At 1 April 2021 | 2,255.72 | (366.96) | 1,888.76 |
| Changes in equity share capital due to prior period errors | - | - | - |
| Restated balance at the beginning of the current reporting period | 2,255.72 | (366.96) | 1,888.76 |
| Profit for the year | - | 142.81 | 142.81 |
| Other comprehensive income for the year | - | (28.19) | (28.19) |
| Total Comprehensive income for the year | - | 114.62 | 114.62 |
| As at 31 March 2022 | 2,255.72 | (252.34) | 2,003.38 |
| As at 1 April 2022 | 2,255.72 | (252.34) | 2,003.38 |
| Changes in equity share capital due to prior period errors | - | - | - |
| Restated balance at the beginning of the current reporting period | 2,255.72 | (252.34) | 2,003.38 |
| Profit for the year | - | 86.72 | 86.72 |
| Other comprehensive income for the year | - | 8.12 | 8.12 |
| Total Comprehensive income for the year | - | 94.84 | 94.84 |
| At 31 March 2023 | 2,255.72 | (157.50) | 2,098.22 |

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

| Particulars | Leasehold Land | Buildings | Plant & Machinery | Tools & Equipments | Dies & Moulds | Electric Installations | Furniture & Fixtures | Office Equipment | Computers | Vehicle | Total | Other intangible Assets |
|----------------------------|----------------|-----------------|-------------------|--------------------|-----------------|------------------------|----------------------|------------------|--------------|---------------|------------------|-------------------------|
| GROSS BLOCK | | | | | | | | | | | | |
| As at 1 April 2021 | 151.65 | 3,098.91 | 5,775.95 | 283.86 | 1,940.67 | 43.49 | 113.73 | 45.11 | 51.21 | 127.20 | 11,631.78 | 225.85 |
| Additions | - | 164.60 | 1,272.72 | 30.68 | 979.12 | - | 12.76 | 6.14 | 11.48 | - | 2,477.50 | 3.30 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Asset Held for Disposal | - | - | - | - | - | - | - | - | - | - | - | - |
| Deductions / Amortisation | - | - | 5.18 | - | 309.20 | - | - | - | 1.24 | - | 315.62 | - |
| As at 31 March 2022 | 151.65 | 3,263.51 | 7,043.50 | 314.55 | 2,610.58 | 43.49 | 126.49 | 51.25 | 61.45 | 127.20 | 13,793.66 | 229.15 |
| Additions | - | - | 155.80 | 20.86 | 325.42 | - | - | 0.68 | 12.70 | - | 515.47 | 5.49 |
| Other adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Asset Held for Disposal | - | - | - | - | - | - | - | - | - | - | - | - |
| Deductions / Amortisation | - | - | 8.37 | - | 9.49 | - | 0.08 | - | - | - | 17.94 | - |
| As at 31 March 2023 | 151.65 | 3,263.51 | 7,190.93 | 335.41 | 2,926.51 | 43.49 | 126.41 | 51.93 | 74.16 | 127.20 | 14,291.18 | 234.64 |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - |
| Upto 1 April 2021 | 16.08 | 1,007.37 | 2,843.97 | 234.44 | 1,117.70 | 10.52 | 75.67 | 31.27 | 45.27 | 49.72 | 5,432.02 | 158.55 |
| For the year | 1.66 | 213.66 | 387.45 | 27.20 | 326.92 | 8.54 | 11.63 | 7.03 | 6.49 | 23.86 | 1,014.46 | 49.47 |
| Asset Held for Disposal | - | - | - | - | - | - | - | - | - | - | - | - |
| Deductions / Amortisation | - | - | 0.32 | - | 241.48 | - | - | - | 1.21 | - | 243.01 | - |
| As at 31 March 2022 | 17.74 | 1,221.04 | 3,231.10 | 261.64 | 1,203.14 | 19.06 | 87.30 | 38.30 | 50.55 | 73.58 | 6,203.46 | 208.02 |
| For the year | 1.66 | 198.57 | 439.24 | 25.71 | 476.15 | 6.33 | 10.12 | 5.42 | 9.44 | 16.42 | 1,189.05 | 9.90 |
| Asset Held for Disposal | - | - | - | - | - | - | - | - | - | - | - | - |
| Deductions / Amortisation | - | - | 2.54 | - | 0.61 | - | 0.08 | - | - | - | 3.23 | - |
| As at 31 March 2023 | 19.41 | 1,419.60 | 3,667.81 | 287.35 | 1,678.68 | 25.39 | 97.34 | 43.72 | 59.99 | 90.01 | 7,389.29 | 217.92 |
| Net Block : | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31 March 2022 | 133.90 | 2,042.47 | 3,812.39 | 52.90 | 1,407.44 | 24.43 | 39.19 | 12.95 | 10.90 | 53.62 | 7,590.21 | 21.13 |
| As at 31 March 2023 | 132.24 | 1,843.90 | 3,523.13 | 48.06 | 1,247.83 | 18.10 | 29.07 | 8.21 | 14.17 | 37.19 | 6,901.89 | 16.72 |

Notes to Financial statement

Notes:

1. For Depreciation and amortisation refer accounting policy Note No. 33.5.
2. **Contractual Obligation:**
Refer Note No.35 for estimated amount of contracts remaining to be executed on capital account.
3. **Impairment Loss**
No provision for impairment loss is made during the year.
4. **PPE pledged as security**
Company has hypothecated / mortgaged all property plant and equipments and land building situated at C-18 Five Star MIDC Kagal, Dist. Kolhapur. Against the borrowings from Bank of Baroda, IndusInd Bank Ltd., Saraswat Coop. Bank Ltd., ICICI Bank Ltd. and HDFC Bank Ltd. On 3rd October 2022 Saraswat Coop. Bank Ltd. had taken over all outstanding loans vide their sanction letter No.SCB /ZONE VIII/SANCMLET/2022-23/558 dated 27th July 2022, with Bank of Baroda including working capital loan.
5. **Ageing Schedule for CWIP & Intangible Assets under Development**
As at 31.03.2023

a) Ageing Schedule for Capital Work In Progress (CWIP) (Rs. In Lakhs)

| Capital Work in Progress | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Grand Total |
|------------------------------------------------|------------------|---------------|---------------|-------------------|-----------------|
| Project Description | | | | | |
| 1. Projects in Progress | | | | | |
| (a) Capacity expansion project | 348.81 | 333.51 | 320.93 | - | 1,003.25 |
| (b) Store building extension | 54.85 | 3.23 | - | - | 58.08 |
| (c) Cabin at Finishing Dept | 1.13 | - | - | - | 1.13 |
| (d) MK3 Planet Carrier holding fixture for HBM | 3.52 | - | - | - | 3.52 |
| (e) Leasehold Land 2 | - | 30.00 | - | - | 30.00 |
| (f) Quality Inspection | 0.32 | - | - | - | 0.32 |
| Total Projects in Progress | 406.83 | 368.54 | 320.93 | - | 1,096.29 |
| 2. Projects Temporarily Suspended | - | - | - | - | - |

b) Intangible Assets under development) (Rs. In Lakhs)

| Intangible Assets under development | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Grand Total |
|-------------------------------------|------------------|--------------|--------------|-------------------|-------------|
| Project Description | | | | | |
| 1. Projects in Progress | - | - | - | - | - |
| Total Projects in Progress | - | - | - | - | - |
| 2. Projects Temporarily Suspended | - | - | - | - | - |

As at 31.03.2022

a) Ageing Schedule for Capital Work In Progress (CWIP) (Rs. In Lakhs)

| Capital Work in Progress | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Grand Total |
|------------------------------------------|------------------|--------------|--------------|-------------------|---------------|
| Project Description | | | | | |
| 1. Projects in Progress | | | | | |
| (a) Capacity expansion project | 617.77 | 66.66 | - | - | 684.44 |
| (b) Store building extension | - | 3.23 | - | - | 3.23 |
| (c) Cabin at Finishing Dept | - | 1.80 | - | - | 1.80 |
| (d) MK3 Hub mould box no 01 modification | 0.12 | - | - | - | 0.12 |
| Total Projects in Progress | 617.89 | 71.69 | - | - | 689.59 |
| 2. Projects Temporarily Suspended | - | - | - | - | - |

b) Intangible Assets under development) (Rs. In Lakhs)

| Intangible Assets under development | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Grand Total |
|-------------------------------------|------------------|--------------|--------------|-------------------|-------------|
| Project Description | | | | | |
| 1. Projects in Progress | - | - | - | - | - |
| Total Projects in Progress | - | - | - | - | - |
| 2. Projects Temporarily Suspended | - | - | - | - | - |

Completion Schedule for Projects Overdue or Exceeded Cost Estimate:

As at 31.03.2023

(Rs. In Lakhs)

| CWIP/Intangible Assets under Development | To be completed in | | | |
|------------------------------------------|--------------------|--------------|--------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 years and more |
| Project in progress | | | NIL | |
| Project suspended | | | NIL | |

As at 31.03.2022

(Rs. In Lakhs)

| CWIP/Intangible Assets under Development | To be completed in | | | |
|------------------------------------------|--------------------|--------------|--------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 years and more |
| Project in progress | | | NIL | |
| Project suspended | | | NIL | |

Title deeds of Immovable Properties not held in name of the Company

As at 31.03.2023

(Rs. In Lakhs)

| Relevant line item in Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the |
|-------------------------------------|---------------------------------|----------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|
| Property Plant and Equipment | - | - | - | - | - | - |
| Property Plant and Equipment | - | - | - | - | - | - |

As at 31.03.2022

(Rs. In Lakhs)

| Relevant line item in Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the |
|-------------------------------------|---------------------------------|----------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|
| Property Plant and Equipment | - | - | - | - | - | - |
| Property Plant and Equipment | - | - | - | - | - | - |

NOTE 2: FINANCIAL ASSETS : INVESTMENTS

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------------------------|----------------------|----------------------|
| 1. Investment at Fair Value through Other Comprehensive Income | | |
| a. Equity Shares | 0.25 | - |
| Total | 0.25 | - |

1. Refer Note-38 for Financial assets at fair value through other comprehensive income- unquoted equity instruments.
2. Refer Note-38A on risk management objectives and policies for financial instruments.

NOTE 3: FINANCIAL ASSETS : OTHER (NON CURRENT)

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------|----------------------|----------------------|
| 1. Security deposits (Unsecured, considered good) | 14.27 | 14.27 |
| 2. Income Tax Refund Receivable | 1.01 | 1.01 |
| 3. Advance To Gratuity Trust | 0.15 | 0.15 |
| Total | 15.44 | 15.44 |

1. No Advances are given to Directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.
2. Other financial assets are measured at amortised cost.
3. Refer Note no.38 on risk management objectives and policies for financial instruments.

NOTE 4: OTHER NON-CURRENT ASSETS**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------|-------------------------|-------------------------|
| 1. Capital advances | 79.27 | 147.86 |
| 2. GST, Central Excise & Service Tax (Under protest) | 60.25 | 36.29 |
| 3. Income Tax Refund Receivable | | |
| a. Advance Income Tax | 58.07 | 115.27 |
| Less: Provision for Income Tax deducted (as per Contra) | (49.23) | (49.23) |
| Total | 148.36 | 250.19 |

NOTE 5: INVENTORIES**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------|-------------------------|-------------------------|
| 1. Raw materials | | |
| a. Raw materials and components | 881.48 | 1376.42 |
| b. Raw materials in transit ` in Lacs | - | - |
| | 881.48 | 1376.42 |
| 2. Pattern Stock | 358.28 | 344.11 |
| 3. Work-in-progress | 3,835.89 | 3,227.55 |
| 4. Finished goods | | |
| a. Finished goods | 202.60 | 188.46 |
| b. Finished goods in Transit | 472.66 | 415.63 |
| | 675.26 | 604.09 |
| 5. Stores and spares | 561.65 | 512.63 |
| Total | 6,312.56 | 6,064.85 |

- Inventories written down to net realisable value during the year ended 31 March 2023, Rs.7.78 Lakhs (Previous Year Rs.40.25 Lakhs) were recognised as an expense in the statement of profit and loss during the year.
- The above inventories are hypothecated to Bankers for working capital facility.

NOTE 6: FINANCIAL ASSETS: TRADE RECEIVABLES**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------|-------------------------|-------------------------|
| 1. Total Trade Receivables | | |
| Trade receivables [Refer note (1) below] | 2,207.49 | 3,236.81 |
| Break-up for security details: | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 2,201.21 | 3,236.81 |
| Doubtful credit impaired | 99.45 | 87.45 |
| Loss Allowance (allowance for bad and doubtful debts) | (93.17) | (87.45) |
| Total | 2,207.49 | 3,236.81 |

- Trade receivables are measured at amortised cost.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade or other receivables due from firms or private companies respectively in which any director is a partner, a director or a member Rs. Nil (Previous year Rs. Nil)
- Trade receivables are non-interest bearing and generally on terms of 90 to 120 days.
- Movement of impairment Allowance (allowance for bad and doubtful debts).

(Rs. In Lakhs)

| Particulars | Amount |
|--------------------------|--------------|
| At 1 April 2021 | 8.75 |
| Provided during the year | 78.70 |
| At 31 March 2022 | 87.45 |
| Provided during the year | 5.72 |
| At 31 March 2023 | 93.17 |

- Refer Note 38A & 38B on credit risk of trade receivables, which explains how the Company manages and measures creditquality of trade receivables that are neither past due nor impaired.

6. We have entered into factoring agreement with India Factoring and Finance Solutions Pvt. Ltd. wherein we have factored export receivables without recourse to us hence invoice amount which is not factored has been shown as trade receivables and same is included above.

Also, in case of domestic debtors we have entered into factoring agreement with India Factoring and Finance Solutions Pvt. Ltd. with recourse to us, hence amount factored is included in trade receivables above.

(Rs. In Lakhs)

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------------------------------------------------------------|----------------|------------------------------------------------------------|------------------|-------------|-----------|-------------------|-----------------|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| As at 31st March 2023 | | | | | | | |
| (i) Undisputed Trade receivables — considered good | 2015.53 | 160.75 | 19.04 | 5.89 | - | - | 2201.21 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables — considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | 99.45 | 99.45 |
| Less: Loss allowance | - | - | - | - | - | (93.17) | (93.17) |
| Total | 2015.53 | 160.75 | 19.04 | 5.89 | - | 6.28 | 2,207.49 |

(Rs. In Lakhs)

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------|------------------|--------------|-----------|-------------------|-----------------|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| As at 31st March 2022 | | | | | | | |
| (i) Undisputed Trade receivables — considered good | 2,844.45 | 319.83 | 1.65 | 70.88 | - | - | 3,236.81 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables — considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | 87.45 | 87.45 |
| Less: Loss allowance | - | - | - | - | - | (87.45) | (87.45) |
| Total | 2,844.45 | 319.83 | 1.65 | 70.88 | - | - | 3,236.81 |

NOTE 7a: CASH AND CASH EQUIVALENTS

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------------|----------------------|----------------------|
| 1. Balance with Bank | | |
| a. Current accounts and debit balance in cash credit accounts | 26.55 | 7.41 |
| 2. Cash on hand | 2.36 | 1.21 |
| Total | 28.91 | 8.62 |

NOTE 7b: OTHER BANK BALANCES**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 1. Deposits with original maturity of more than three months but less than 12 months | 579.01 | 183.79 |
| Total | 579.01 | 183.79 |

1. Refer Note No.38A on risk management objectives and policies for financial instruments.

NOTE 8: Financial Asset: Other (Current)**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| 1. Export incentive receivable | 30.06 | 57.00 |
| 2. Factoring Loans and advances | 66.99 | 106.64 |
| 3. GST Refund receivable | 148.71 | 171.34 |
| Total | 245.76 | 334.98 |

Notes:

1. Other financial assets are measured at amortised cost.
2. Refer Note No.38A on risk management objectives and policies for financial instruments.

NOTE 9: Other Current Asset:**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------|-------------------------|-------------------------|
| 1. Advance to suppliers | 171.59 | 70.34 |
| 2. Staff Advances | 0.05 | 1.29 |
| 3. Balance with collectorate of central excise and customs | | |
| a. Sales tax / VAT / service tax receivable (net) | 1.75 | 0.25 |
| b. GST Receivable | 317.34 | 812.70 |
| 4. Prepaid expenses | 129.22 | 137.95 |
| 5. Other Current Assets | 3.96 | - |
| Total | 623.91 | 1,022.53 |

NOTE 10: Share Capital**(Rs. In Lakhs)****Authorised share capital Equity shares of Rs 10 each**

| Particulars | No. of shares | Amount |
|-------------------------------------|---------------|----------|
| At 1 April 2021 | 150.00 | 1,500.00 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2022 | 150.00 | 1,500.00 |
| Increase/(decrease) during the year | 20.00 | 200.00 |
| At 31 March 2023 | 170.00 | 1,700.00 |

The Company has only one class of equity shares having a par value of Rs 10 each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.

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

Issued and subscribed share capital Equity shares of Rs 10 each**(Rs. In Lakhs)**

| Particulars | No. of shares | Amount |
|-------------------------|---------------|----------|
| As at 1 April 2021 | 141.30 | 1,413.00 |
| Changes during the year | - | - |
| As at 31 March 2022 | 141.30 | 1,413.00 |
| Changes during the year | - | - |
| As At 31 March 2023 | 141.30 | 1,413.00 |

Terms / Rights attached to equity shares:

Each member present in person shall have one vote, the voting right of the members shall be in proportion to his share in the paid up equity share capital of the company and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. For the year ended March 31, 2023 the Board of Directors has not proposed any dividend (Previous year Nil).

Number of Shares held by each shareholder holding more than 5% Shares in the Company

| Name of the Shareholder | As At 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------------------------------|---------------------|--------------------|---------------------|--------------------|
| | No. of shares | % of share-holding | No. of shares | % of share-holding |
| S. B. Reshellers Pvt. Ltd. | 54.10 | 38.29% | 54.10 | 38.29% |
| Radhika Sanjeev Shirgaokar & Sohan Sanjeev Shirgaokar | 7.42 | 5.25% | 7.42 | 5.25% |
| Radhika Sanjeev Shirgaokar & Chandan Sanjeev Shirgaokar | 7.42 | 5.25% | 7.42 | 5.25% |
| Sachin Rajendra Shirgaokar & Laxmi Sachin Shirgaokar | 7.40 | 5.24% | 7.40 | 5.24% |
| Vendavagali Srinivasa Reddy & Sou. Vendavagali KuberiReddy | 14.66 | 10.37% | 15.10 | 10.69% |
| Massachusetts Institute of Technology | 8.36 | 5.92% | 13.96 | 9.88% |

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

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

- (a) The Company has not issued any shares without payment being received in cash.
- (b) The Company has not issued any bonus shares.
- (c) The Company has not undertaken any buyback of shares.

Promoters' shareholding:

| Name of Promoter Shareholder | As At 31 March 2023 | | |
|------------------------------|---------------------|--------------------|--------------------------|
| | No. of shares | % of share holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 54.10 | 38.29% | 0.00% |
| Sachin Rajendra Shirgaokar | 7.40 | 5.24% | 0.00% |
| Sohan Sanjeev Shirgaokar | 1.20 | 0.85% | 0.00% |
| Vendavagali Srinivasa Reddy | 14.66 | 10.37% | -0.32% |

Promoters' shareholding:

| Name of Promoter Shareholder | As at 31 March 2022 | | |
|------------------------------|---------------------|--------------------|--------------------------|
| | No. of shares | % of share holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 54.10 | 38.29% | 0.00% |
| Sachin Rajendra Shirgaokar | 7.40 | 5.24% | 0.00% |
| Sohan Sanjeev Shirgaokar | 1.20 | 0.85% | 0.00% |
| Vendavagali Srinivasa Reddy | 15.10 | 10.69% | 0.00% |

NOTE 11: OTHER EQUITY**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------|----------------------|----------------------|
| 1. SECURITIES PREMIUM | 2,255.72 | 2,255.72 |
| 2. RETAINED EARNINGS | | |
| Opening Balance | (252.34) | (366.96) |
| Add : Profit for the period | 86.72 | 142.81 |
| Add : Other Comprehensive income (Loss) | 8.12 | (28.19) |
| | (157.50) | (252.34) |
| Total | 2,098.22 | 2,003.38 |

Nature and purpose of reserves:

A. Securities Premium:

Securities premium is a premium collected above face value on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

NOTE 12: LONG TERM BORROWING

(Rs. In Lakhs)

| Particulars | Interest rate | Current Maturity | As at 31-Mar-23 | As at 31-Mar-22 |
|-----------------------------------------------------------------------------------------|-----------------------------|------------------|-----------------|-----------------|
| TERM LOANS FROM BANKS, SECURED | | | | |
| Term loan from Bank of Baroda - Term Loan III | BOB Base Rate + 3.00% | - | - | 343.71 |
| Term loan from Bank of Baroda - Term Loan IV | BOB Base Rate + 3.00% | - | - | 146.35 |
| Term loan from Bank of Baroda - Term Loan V (Foreign Currency Term Loan) | BOB Base Rate + 3.00% | - | - | 525.08 |
| Term loan from Bank of Baroda - Term Loan VI (Foreign Currency Term Loan) | BOB Base Rate + 3.00% | - | - | 378.99 |
| Working capital Term loan from Bank of Baroda - BGECL I | BRLLR +1% | - | - | 636.00 |
| Working capital Term loan from Bank of Baroda - BGECL II | BRLLR +1% | - | - | 580.00 |
| Term Loan from Indusind Bank (Account No. 510003494282) | 8.00% | 400.00 | 1,275.59 | 578.82 |
| Term Loan from Saraswat bank (Account No. 910000000043486) | PLR (-) 6% | 169.26 | 169.26 | - |
| Term Loan from Saraswat bank (Account No. 910000000043487) | PLR (-) 6% | 27.84 | 120.86 | - |
| Term Loan from Saraswat bank (Account No. 910000000043495) | PLR (-) 6% | 231.90 | 434.18 | - |
| Term Loan from Saraswat bank (Account No. 910000000043500) | PLR (-) 6.50% | 64.40 | 580.00 | - |
| Term Loan from Saraswat bank (Account No. 910000000043506) | PLR (-) 6% | 95.76 | 398.85 | - |
| Term Loan from Saraswat bank (Account No. 910000000043506) (Foreign Currency Term Loan) | Six Month SOFR + 2.50% | 81.36 | 339.31 | - |
| Vehicle loan from ICICI Bank Ltd (Account No. 38638355) | ICICI Bank 11.01% | 2.10 | 2.10 | 4.19 |
| Vehicle loan from ICICI Bank Ltd. (Account No. 41944471) | ICICI Bank 9.30% | 5.06 | 12.49 | 17.15 |
| | | 1,077.68 | 3,332.65 | 3,210.28 |
| Less: Current maturities of non current borrowings | | | 1,077.68 | 733.72 |
| Sub Total | Sub total (a) | | 2,254.97 | 2,476.56 |
| TERM LOANS FROM FINANCIAL INSTITUTION, SECURED | | | | |
| Vehicle loan from Toyota Financial Services India Ltd. | | 9.75 | 18.84 | 28.07 |
| Sub Total | Sub total | 9.75 | 18.84 | 28.07 |
| Less: Current maturities of non current borrowings | | - | 9.75 | 9.04 |
| Sub Total | Sub total (b) | | 9.09 | 19.03 |
| | A] Sub total (a)+(b) | | 2,264.06 | 2,495.59 |
| UNSECURED LOANS | | | | |
| Deposits | | | 1,028.07 | 1,144.57 |
| Sub Total | Sub total | | 1,028.07 | 1,144.57 |
| Less: Current maturities of non current borrowings | | | 157.07 | 390.00 |
| Sub Total | B] Sub total (c) | | 871.00 | 754.57 |
| PREFERENCE SHARE CAPITAL | C] | | 1,071.00 | 1,071.00 |
| | [A+B+C] | | 4,206.06 | 4,321.16 |

Principal terms, security and repayment schedule of long term secured loans:

Term Loan - III, IV, V, VI and BOB Guaranteed Emergency Credit Line (BGECL) I and II from Bank of Baroda (BOB) were obtained from time to time for construction of new factory building and purchase of imported as well as indigenous machineries etc. These loans were secured by hypothecation of plant & machineries, and equitable mortgage of factory land and building at Kagal location. Charge over current assets was created as Collateral security. Entire amount was personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director and Executive Director of the Company and Corporate Guarantee was issued by S.B.Reshellers Pvt. Ltd. Bank of Baroda had reviewed the term loan account of the Company and issued sanction letter on 16.03.2016.

These all term loans were taken over by Saraswat Co-operative Bank Ltd. on 3rd Oct. 2022 vide Sanction Letter No. SCB / ZONE VIII/SANCLET/2022-23/558 Dated 27th July 2022 and balance outstanding was repaid in full along with accumulated interest as on 3rd Oct. 2022.

Vehicle Loan from HDFC Bank Ltd. is secured by hypothecation of Vehicles, which is repayable in 60 monthly instalments and last instalment is falling due on 7th October 2021. Rate of Interest 9.30% p.a.

Vehicle Loan from ICICI Bank Ltd. is secured by hypothecation of Vehicles, which is repayable in 60 monthly instalments and last instalment is falling due on 1st February 2024. Rate of Interest 9.30% p.a.

Deposits accepted during the year from Directors, relatives of Directors and Companies and are repayable on maturity @ 10% p.a.interest. (Previous Year 11% p.a.)

| Name of Bank | Loan Aailed/ Sanctioned ` in Lacs | Repayment Details | Last Instalment |
|------------------------------------------------------------|-----------------------------------------|----------------------------------------------------|---------------------------------|
| Term Loan from Indusind Bank (Account No. 510003494282) | 1,275.59 | 15 Quarterly Instalments of Rs. 79.72 Lacs each | Rs. 79.72 Lacs during Jan 27 |

This loans was secured by hypothecation of plant & machineries, and equitable mortgage of factory land and building. Chargeover current assets was created as Collateral security. First Pari passu charge on entire fixed assets (Both Present and Future)of the Company with Saraswat Co-operative Bank Ltd and second Pari passu charge on hypothecation of entire current assets.

Entire amount was personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director and Executive Director of the Company

| Name of Bank | Loan Aailed/ Sanctioned ` in Lacs | Repayment Details | Last Instalment |
|----------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------|---------------------------------|
| Saraswat Co-operative Bank | | | |
| Term Loan Account No. | | | |
| Term Loan from Saraswat bank (Account No. 91000000043486) | 244.26 | 16 Monthly instalments of Rs. 15 Lacs each | Rs. 4.26 Lacs during Mar. 24 |
| Term Loan from Saraswat bank (Account No. 91000000043487) | 132.46 | 57 Monthly instalments of Rs. 2.32 Lacs each | Rs. 0.22 Lacs during Jul 27 |
| Term Loan from Saraswat bank (Account No. 91000000043495) | 530.80 | 27 Monthly instalments of Rs. 19.33 each | Rs. 9.03 Lacs during Feb 25 |
| Term Loan from Saraswat bank (Account No. 91000000043500) | 580.42 | 36 Monthly instalments of Rs. 16.10 Lacs each | Rs. 0.82 Lacs during Nov 26 |
| Term Loan from Saraswat bank (Account No. 91000000043506) | 438.75 | 54 Monthly instalments of Rs. 7.98 Lacs each | Rs. 7.83 Lacs during May 27 |
| Term Loan from Saraswat bank (Account No. 91000000043515) (Foreign Currency Term Loan) | 4.46 | 55 Monthly instalments of USD 0.08 Lacs each | Rs. 0.004 Lacs during May 27 |

This loans was secured by hypothecation of plant & machineries, and equitable mortgage of factory land and building at Kagal location. Charge over current assets was created as Collateral security. First Pari passu charge on entire fixed assets (Both Present and Future) of the Company with Indusind Bank Ltd and second Pari passu charge on hypothecation of entire currentassets at Kagal Location.

Net Debt Reconciliation:

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2023:

(Rs. in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Cash and Cash Equivalents | 28.91 | 8.62 |
| Non-Current Borrowings | (4,206.06) | (4,321.16) |
| Current Borrowings | (4,160.19) | (3,919.07) |
| Total | (8,337.34) | (8,231.61) |

| Particulars | Cash & Cash Equivalents | Borrowings | Total |
|--------------------------------------|----------------------------|-----------------|-----------------|
| Net Debt As on April 1, 2021 | 215.91 | 7,587.43 | 7,371.52 |
| Cash Flows | (207.29) | 690.60 | 897.89 |
| Foreign Exchange Adjustment | - | - | - |
| Interest paid | - | 1,111.97 | 1,111.97 |
| Interest and Other Expenses | - | (1,149.77) | (1,149.77) |
| Net Debt As on March 31, 2022 | 8.62 | 8,240.23 | 8,231.61 |
| Cash Flows | 20.29 | 248.51 | 228.22 |
| Foreign Exchange Adjustment | - | - | - |
| Interest paid | - | 1,285.38 | 1,285.38 |
| Interest and Other Expenses | - | (1,407.87) | (1,407.87) |
| Net Debt As on March 31, 2023 | 28.91 | 8,366.25 | 8,337.34 |

NOTE 12: DISCLOSURE PERTAINING TO PREFERENCE SHARE CAPITAL

(Rs. In Lakhs)

Authorised share capital - Preference shares of Rs 100 each

| Particulars | No. of shares | Amount |
|-------------------------------------|---------------|----------|
| At 1 April 2021 | 13.00 | 1,300.00 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2022 | 13.00 | 1,300.00 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2023 | 13.00 | 1,300.00 |

Issued and subscribed share capital Preference shares of Rs 100 each

(Rs. In Lakhs)

| Particulars | No. of shares | Amount |
|----------------------------|---------------|----------|
| As at 1 April 2021 | 10.71 | 1,071.00 |
| Changes during the year | - | - |
| As at 31 March 2022 | 10.71 | 1,071.00 |
| Changes during the year | - | - |
| As at 31 March 2023 | 10.71 | 1,071.00 |

Each Share shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate of 10%, on the capital for the time being paid up or credited as paid up thereon. With effect from April 1, 2019 Preference Shares class was changed from Non - cumulative to Cumulative. Each share has priority to the equity share of the company, but shall not confer any further or other right to participate either in profits or assets of the Company. The shares are redeemable at any time after completion of one year but within twenty years from the date of allotment. As per Section 47 of The Companies Act, if the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Number of Shares held by each shareholder holding more than 5% Shares in the Company:

| Name of the Shareholder | As At 31 March 2023 | | As at 31 March 2022 | |
|----------------------------|---------------------|--------------------|---------------------|--------------------|
| | No. of shares | % of share-holding | No. of shares | % of share-holding |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | 5.96 | 55.65% |
| The Ugar Sugar Works Ltd | 4.75 | 44.35% | 4.75 | 44.35% |

Reconciliation of Share Capital:

(Rs. In Lakhs)

| Particulars | As At 31 March 2023 | | As at 31 March 2022 | |
|-------------------------------------------------------------|---------------------|----------|---------------------|----------|
| | No. of Shares | Amount | No. of shares | Amount |
| Number of shares outstanding as at the beginning of theyear | 10.71 | 1,071.00 | 10.71 | 1,071.00 |
| Add: No. of shares issued during the year | - | - | - | - |
| Less: Number of shares redeemed during the year | - | - | - | - |
| Number of shares outstanding as at the end of the year | 10.71 | 1,071.00 | 10.71 | 1,071.00 |

Promoters' shareholding

| Name of Promoter Shareholder | As At 31 March 2023 | | |
|------------------------------|---------------------|--------------------|--------------------------|
| | No. of shares | % of share-holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | - |

Promoters' shareholding

| Name of Promoter Shareholder | As At 31 March 2022 | | |
|------------------------------|---------------------|--------------------|--------------------------|
| | No. of shares | % of share-holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | - |

NOTE 13: FINANCIAL LIABILITIES : OTHERS (NON CURRENT)

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|----------------------|----------------------|
| 1. Deposits from contractors | 0.12 | 0.12 |
| 2. Preference Dividend Payable | 428.40 | 321.30 |
| Total | 428.52 | 321.42 |

Notes:

- Other financial liabilities are measured at amortised cost.
- For explanations on the Company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 38A.

NOTE 14: LONG TERM PROVISIONS

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------|----------------------|----------------------|
| 1. Provision for employee benefits | | |
| a. Provision for leave encashment | 66.74 | 60.93 |
| Total | 66.74 | 60.93 |

NOTE 15: DEFERRED TAX LIABILITY (NET)

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------|----------------------|----------------------|
| 1. Deferred Tax Assets | | |
| a. Provision for Doubtful debts & advances | 26.47 | 22.01 |
| b. Ind AS Adjustment | - | - |
| c. Disallowances u/s 43 B of Income Tax Act | 43.57 | 35.62 |
| d. Unabsorbed Depreciation | - | - |
| e. Carried Forward Loss | 11.54 | 44.16 |
| Total Deferred Tax Asset | 81.58 | 101.79 |
| 2. Less : Deferred Tax Liability | | |
| a. Depreciation | (110.13) | (137.98) |
| b. Ind AS Adjustment | - | (7.08) |
| Total Deferred Tax Liability | (110.13) | (145.06) |
| Total | (28.55) | (43.27) |

1. Reconciliation of deferred tax assets / (liabilities), net**(Rs in Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Opening balance as of 1 April | 43.27 | (111.06) |
| Tax income/(expense) during the year recognised in profit or loss | (17.45) | 163.81 |
| Tax income/(expense) during the year recognised in OCI | 2.73 | (9.48) |
| Closing balance as at 31 March | 28.55 | 43.27 |

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- There is no change in the applicable tax rate of 25.168% compare to the previous year (31 March 2022: 25.168%).
- During the year ended 31 March 2023 and 31 March 2022, the Company has not paid dividend to its shareholders.

NOTE 16: SHORT TERM BORROWINGS**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------|-------------------------|-------------------------|
| 1. Interest bearing borrowings from Banks | | |
| a. Cash credit | 1,867.77 | 1,485.36 |
| b. Packing Credit | - | 276.06 |
| c. Bills Payable | 1,047.92 | 1,024.90 |
| | 2,915.69 | 2,786.32 |
| 2. Current Maturities of Long Term Debt | | |
| a. From Banks | 1,077.68 | 733.72 |
| b. From Others | 166.82 | 399.03 |
| | 1,244.50 | 1,132.75 |
| Total | 4,160.19 | 3,919.07 |
| Aggregate secured borrowings | 4,003.12 | 3,529.07 |
| Aggregate unsecured borrowings | 157.07 | 390.00 |

- Borrowings are measured at amortised cost.
- Cash Credit from Bank of Baroda is secured against Hypothecation of stock, book debts, current and future, and collateral security in nature of equitable mortgage of factory land and building and extended charge on Plant and Machineries of the Company. Entire amount has been personally guaranteed, jointly and severally, by Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd. The cash credit is repayable on demand and carries rate of interest at MCLR+3.25% p.a.

This Cash Credit loan is taken over by Saraswat Co-operative Bank Ltd. on 3rd Oct. 2022 vide Sanction Letter No. SCB / ZONE VIII/SANCLET/2022-23/558 Dated 27th July 2022 and balance outstanding was repaid in full along with accumulated interest as on 3rd Oct. 2022 and same is secured against Hypothecation of stock, book debts, current and future, and collateral security in nature of equitable mortgage of factory land and building and extended charge on Plant and Machineries of the Company.
- There is no continuing default, as at the balance sheet date, in repayment of any of the above loans & interest thereon.
- For explanations on the company's Interest risk, foreign currency risk and liquidity risk management processes, refer to Note 38A.
- Quarterly returns or statements filed with bank are in arrangement with the books of accounts.

NOTE 17: FINANCIAL LIABILITIES : TRADE AND OTHER PAYABLES**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------------------|-------------------------|-------------------------|
| 1. Acceptances | 909.05 | 1,057.60 |
| 2. Due to micro, small and medium enterprises | 52.26 | 54.06 |
| 3. Due to other than micro, small and medium enterprises | 4,242.69 | 5,364.02 |
| Total | 5,204.00 | 6,475.68 |

- Trade and other payables are measured at amortised cost.
- For terms and conditions with related parties, refer to Note 37.
- For explanations on the Company's Foreign currency risk and liquidity risk management processes, refer to Note 38A.

Disclosure requirement for Current Trade payables:

(Rs. In Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|--------------------------|---------|------------------------------------------------------------|-----------|-----------|-------------------|-----------------|
| | | Less Than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| As at March 2023 | | | | | | |
| 1. MSME | - | 52.26 | - | - | - | 52.26 |
| 2. Acceptances | - | 909.05 | - | - | - | 909.05 |
| 3. Others | - | - | - | - | - | - |
| a) external parties | - | 4,168.18 | - | - | - | 4,168.18 |
| b) related parties | - | 74.51 | - | - | - | 74.51 |
| 4. Disputed Dues – MSME | - | - | - | - | - | - |
| 5. Dispute Dues - Others | - | - | - | - | - | - |
| Total | - | 5,204.00 | - | - | - | 5,204.00 |

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|--------------------------|---------|------------------------------------------------------------|-------------|-----------|-------------------|-----------------|
| | | Less Than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| As at March 2022 | | | | | | |
| 1. MSME | - | 54.06 | - | - | - | 54.06 |
| 2. Acceptances | - | 1,041.49 | - | - | - | 1,041.49 |
| 3. Others | - | - | - | - | - | - |
| a) external parties | - | 5,220.20 | 2.30 | - | - | 5,222.50 |
| b) related parties | - | 157.63 | - | - | - | 157.63 |
| 4. Disputed Dues – MSME | - | - | - | - | - | - |
| 5. Dispute Dues - Others | - | - | - | - | - | - |
| Total | - | 6,473.38 | 2.30 | - | - | 6,475.68 |

Terms and conditions of the above Trade payables:

Trade payables including related parties are non-interest bearing and having average term of 6 months except retention money payable.

NOTE 18: FINANCIAL LIABILITIES : OTHER (CURRENT)

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------|----------------------|----------------------|
| 1. Interest accrued but not due on borrowings | 15.39 | - |
| 2. Payable for capital purchases | | |
| a. To MSME | 23.58 | 0.78 |
| b. To Others | 39.47 | 225.96 |
| 3. Employee benefits payable | 126.00 | 115.91 |
| 4. Security Deposits of Civil Contractors | 10.26 | 16.32 |
| 5. Other financial liabilities | 236.40 | 224.15 |
| Total | 451.10 | 583.12 |

- Other financial liabilities are measured at amortised cost.
- For explanations on the Company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 38A.

NOTE 19: OTHER CURRENT LIABILITIES**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| 1. Advance from customers | 27.25 | 179.14 |
| 2. Other payables | | |
| a. Statutory dues including provident fund and tax deducted at source | 27.53 | 35.43 |
| | 27.53 | 35.43 |
| Total | 54.78 | 214.57 |

NOTE 20: SHORT-TERM PROVISIONS**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------|-------------------------|-------------------------|
| 1. Provision for employee benefits | | |
| a. Provision for gratuity (Refer note no. 36) | 13.78 | 28.17 |
| b. Provision for leave encashment | 6.90 | 5.88 |
| | 20.68 | 34.05 |
| 2. Other Provisions | 44.75 | 28.47 |
| a. Provision for warranty | | |
| | 44.75 | 28.47 |
| Total | 65.43 | 62.51 |

1. Employee benefits obligations**a. Gratuity**

The Company provides gratuity for employees as per the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is funded plan.

b. Pension, post retirement medical benefit and long term award benefits

The Company provides certain post-employment medical scheme and long term award benefits to employees (unfunded). For long-term award scheme, the Company has defined certain eligibility criteria and grade-wise benefit available to employees and is payable only at time of separation. Pension and medical benefits are payable to employees for 15 years after retirement.

c. Compensated absences

The leave obligation covers the Company's liability for earned leaves. Also refer Note 36 for detailed disclosure.

2. Others:

- a. Warranty is given to customers at the time of sale of castings manufactured. In case of subsequent casting rejection the same are rectified / replaced based on mutual discussion with customers.

Movement of warranty provision :**(Rs. In Lakhs)**

| Particulars | Amounts |
|---------------------------|---------|
| At 1 April 2021 | - |
| Arising during the year | 28.47 |
| Utilised | - |
| Unused amount reversed | - |
| At 31 March 2022 | 28.47 |
| Arising during the year | 44.75 |
| Utilised | 28.47 |
| Unused amount reversed | - |
| At 31st March 2023 | 44.75 |

NOTE 21: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

| Particulars | As at 31-Mar-23 | As at 31-Mar-22 |
|---------------------------------------------------|--------------------|--------------------|
| 1. Revenue from Contract with Customers | | |
| a. Sale of products | | |
| i. Windmill Castings | 20,558.83 | 20,691.91 |
| ii. Other Castings | 8,027.88 | 6,779.73 |
| b. Service Charges | | |
| i. Sale of services | 19.40 | 15.12 |
| Total Revenue from Contract with Customers | 28,606.11 | 27,486.76 |
| 2. Other Operating Revenues | | |
| a. Sale of Pattern | 199.15 | 771.89 |
| b. Export Incentive | 59.83 | 58.77 |
| c. Sale of Scrap | 106.08 | 59.85 |
| Total other operating Revenues | 365.06 | 890.51 |
| Total | 28,971.17 | 28,377.27 |

Details of revenue contributed by single customer that exceeds 10% of total revenue:

| Name of the Customer | 2022-23 | 2021-22 |
|------------------------------------------|---------|---------|
| Vestas Wind Technology India Pvt. Ltd. | 30.31% | 48.57% |
| Vestas Nacelles America Inc. | 5.12% | 13.66% |
| Siemens Gamesa Renewable Power Pvt. Ltd. | 24.42% | 10.66% |

NOTE 22: OTHER INCOME

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------|-------------------------|-------------------------|
| 1. Interest Income | | |
| a. On Income Tax and Sales Tax and VAT Refund | 2.89 | 17.89 |
| b. On Bank Deposits | 23.73 | 9.52 |
| | 26.62 | 27.41 |
| 2. Other | | |
| a. Net foreign currency exchange gain on transactions | 6.75 | 56.26 |
| b. Gain on disposal of property, plant and equipment | 10.29 | 30.75 |
| | 17.04 | 87.01 |
| Total | 43.66 | 114.42 |

NOTE 23: COST OF RAW MATERIALS CONSUMED

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------|-------------------------|-------------------------|
| 1. Raw materials consumed | 13,051.98 | 12151.28 |
| 2. Pattern Material Consumed | 168.77 | 639.48 |
| Total | 13,220.75 | 12790.76 |

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| 1. Opening inventory (A) | | |
| a. Work-in-process | 3,227.55 | 3,120.81 |
| b. Finished goods | 188.46 | 148.46 |
| c. Finished goods in Transit | 415.63 | 97.03 |
| | 3,831.64 | 3,366.30 |
| 2. Closing Inventory (B) | | |
| a. Work-in-process | 3,835.89 | 3,227.55 |
| b. Finished goods | 202.60 | 188.46 |
| c. Finished goods in Transit | 472.66 | 415.63 |
| | 4,511.15 | 3,831.64 |
| Changes in inventory (A - B) | (679.51) | (465.34) |

NOTE 25: EMPLOYEE BENEFITS EXPENSE**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| 1. Salaries, wages, bonus, commission, etc. | 1,121.98 | 1,042.56 |
| 2. Wages Contract Labour | 1,146.26 | 1,163.98 |
| 3. Gratuity (Refer Note 36) | 24.88 | 17.67 |
| 4. Contribution to provident and other funds (Refer Note 36) | 55.34 | 50.65 |
| 5. Welfare and training expenses | 70.16 | 65.53 |
| Total | 2,418.62 | 2,340.39 |

NOTE 26: FINANCE COST**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| 1. Interest Expense | | |
| a. Interest on Term Loan, CC and Bill discounting etc. | 1,121.14 | 866.14 |
| b. Preference Dividend on Redeemable Preference Shares | 107.10 | 107.10 |
| c. Net interest expense/(income) on defined benefit obligation (Refer Note 36) | 0.93 | (0.88) |
| d. Interest expense - others | 8.89 | 66.78 |
| | 1,238.06 | 1,039.14 |
| 2. Other borrowing cost | | |
| a. Bank Commission & Charges | 67.81 | 33.06 |
| b. Bank LC Charges | 36.41 | 52.34 |
| c. Bank Processing Charges | 65.59 | 25.23 |
| | 169.81 | 110.63 |
| Total | 1,407.87 | 1,149.77 |

NOTE 27: DEPRECIATION AND AMORTIZATION EXPENSE**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------|-------------------------|-------------------------|
| 1. Depreciation and amortization expense | | |
| a. Depreciation on Property, Plant and Equipment | 1,189.05 | 1,014.46 |
| b. Amortization of Intangible assets | 9.90 | 49.47 |
| | 1,198.95 | 1,063.93 |
| 2. Amount written off against leasehold land | - | - |
| Total | 1,198.95 | 1,063.93 |

NOTE 28: OTHER EXPENSES**(Rs. In Lakhs)**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| 1. Manufacturing expenses | | |
| a. Stores and Spares consumed | 4,355.21 | 3,535.48 |
| b. Power and fuel | 2,352.47 | 2,510.18 |
| c. Machinery spares | 83.16 | 82.72 |
| d. Repairs to machinery | 14.42 | 18.54 |
| e. Repairs to Building | 2.51 | 5.56 |
| f. Repairs to Others | 39.77 | 39.24 |
| g. Outside Labour Charges | 2,679.68 | 3,496.07 |
| h. Others manufacturing expenses | 103.60 | 121.71 |
| | 9,630.82 | 9,809.50 |
| 2. Selling expenses | | |
| a. Freight outward | 878.55 | 832.70 |
| b. Packing and forwarding | 470.86 | 255.73 |
| c. Provision for Warranty | 34.55 | 8.82 |
| d. Provision | 17.72 | 78.71 |
| e. Sales Rebate | - | 1.62 |

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------|-------------------------|-------------------------|
| | 1,401.68 | 1,177.58 |
| 3. Administration expenses | | |
| a. Rent | 69.42 | 56.63 |
| b. Rates and taxes | 55.10 | 49.87 |
| c. Insurance | 26.01 | 19.57 |
| d. Other repairs and maintenance | 20.28 | 23.53 |
| e. Travelling and conveyance | 54.71 | 31.97 |
| f. Communication expenses | 8.39 | 8.64 |
| g. Printing and stationery | 3.47 | 3.40 |
| h. Professional charges | 34.21 | 33.41 |
| i. Auditor's remuneration | | |
| i. Statutory Audit Fees | 2.55 | 3.30 |
| ii. Tax Audit Fees | - | - |
| iii. Limited Review Fees | - | - |
| iv. Certification Charges | 0.78 | 1.69 |
| v. Reimbursement of Expenses | - | - |
| j. Spend on CSR activities (Refer Note 41) | 10.00 | 12.00 |
| k. Directors' Sitting Fees | 2.45 | 2.85 |
| l. Miscellaneous expenses | 23.76 | 33.66 |
| m. Staff & Guest Expenses | 8.86 | 9.72 |
| n. Garden Expenses | 0.26 | 4.79 |
| o. Security Charges | 26.11 | 23.44 |
| | 346.36 | 318.47 |
| Total | 11,378.86 | 11,305.55 |

NOTE 29: Other Comprehensive Income Not To Be Reclassified To Profit or Loss in Subsequent Periods: (Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| 1. Re-measurement gains / (losses) on defined benefit plans | 10.85 | (37.67) |
| 2. Income tax effect on above | (2.73) | 9.48 |
| Total | 8.12 | (28.19) |

Note 30 : Income Tax and Deferred Tax

1) The major components of income tax expense for the period ended 31 March 2023 and 31 March 2022 are:

a) Profit or loss

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Current income tax: | | |
| Current income tax charge | - | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (17.45) | 163.81 |
| Income tax expense reported in the statement of profit or loss | (17.45) | 163.81 |

b) Other Comprehensive Income:

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Income tax charged to OCI | (2.73) | 9.48 |

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Accounting profit before tax | 69.29 | 306.63 |
| At statutory income tax rate of 25.168% (a) | 17.44 | 77.17 |
| Adjustments | | |
| Preference Dividend Expense | 26.95 | 26.95 |
| Other Disallowance | (61.84) | 59.68 |
| Total (b) | (34.89) | 86.63 |
| Tax expenses at effective rate (a+b) | (17.45) | 163.81 |
| Total Tax expense as per books | (17.45) | 163.81 |
| The companies effective tax rates for the year ended 31st March 2023 and 31st March 2022 were | -25.18% | 53.42% |

2) Movement in deferred tax:

a) Deferred tax relates to the following: DTL/ (DTA)

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Property, plant and equipment (Depreciation) | 110.14 | 137.98 |
| Employee benefits - compensated absences | (43.57) | (35.62) |
| Provision for doubtful debts and advances | (26.48) | (22.01) |
| Carry Forward Loss | (11.54) | (44.16) |
| Others - (DTA)/DTL | - | 7.08 |
| Net deferred tax liabilities/(assets) other than MAT credit | 28.55 | 43.27 |

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------|-------------------------|-------------------------|
| Property, plant and equipment (Depreciation) | (27.85) | 28.27 |
| Employee benefits - compensated absences | (7.95) | 5.62 |
| Provision for doubtful debts and advances | (4.46) | (19.81) |
| Carry Forward Loss | 32.62 | 80.24 |
| Others - (DTA)/DTL | (9.81) | 69.49 |
| Deferred tax expense/(income) | (17.45) | 163.81 |

b) Reflected in balance sheet as

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Deferred tax asset | (81.58) | (94.71) |
| Deferred tax liability | 110.14 | 137.98 |
| Net deferred tax liabilities/(assets) other than MAT credit | 28.55 | 43.27 |

3) Movement in Current tax:

(Rs. In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| Non Current tax (asset)/ liability as at beginning of period | (66.04) | (154.33) |
| Add : Refund Received during the year | 65.29 | 151.22 |
| Less : TDS credit of previous year | (8.09) | (62.93) |
| Current and Non Current tax (asset)/ liability as at end of period | (8.84) | (66.04) |

(Rs. In Lakhs)

| Reflected in balance sheet as | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------|-------------------------|-------------------------|
| Provision for income tax | - | - |
| Current advance tax | - | - |
| Non- current advance tax (net of provision) | (8.84) | (66.04) |
| Total | (8.84) | (66.04) |

NOTE 31: Corporate Information

Synergy Green Industries Limited (“the Company”) is a public limited Company incorporated in 2010, had listed on BSE & NSE. Company has its corporate office situated at 392, E ward, Shahupuri, Kolhapur-416001 and the works is situated at Kagal - Hatkanangale Five Star Industrial Area, Kolhapur-416216.

The Company is engaged in the business of foundry i.e., manufacturing of wind turbine casting and other large precision castings. The Company started as a green filed foundry project during 2011 and entered in commercial operation in June 2012.

NOTE 32. Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

NOTE 33. Significant accounting policies

NOTE 33.1. Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

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.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company’s functional currency. All financial information is presented in INR rounded to the nearest Lakhs except share and per share data, unless otherwise stated.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

NOTE 33.2. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

This note provides an overview of the areas that involve a higher 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

1. Estimation of defined benefit obligation – Refer note 36

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates, attrition rate etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on past historical average and future expectation of inflation rates.

Further details about gratuity obligations are given in Note 36.

2. Impairment - Refer no. 33.14

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Estimated useful life of intangible assets - Refer note 33.6

4. Deferred tax assets

are recognized for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTE 33.3. Inventories

- Raw materials, components, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes all cost of purchase and incidental expenses incurred in bringing the inventories to their present location and condition. Cost is ascertained using weighted average method.
- Work-in-process and finished goods are valued at cost or net realisable value whichever is lower. Cost includes direct materials, labour costs and a proportion of manufacturing overheads i.e. cost of conversion. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities. Fixed overheads are allocated based on the normal operating capacity, or actual capacity if actual capacity approximates normal capacity.
- Materials-in-transit are valued at actual cost incurred up to the date of balance sheet.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- Runners and Risers are valued at replacement cost or net realisable value whichever is lower.
- The inventory of patterns purchased and held for sale is valued at lower of cost and net realizable value. The cost comprises of all the costs of purchases and other costs incurred in bringing the inventories to their present location and condition

NOTE 33.4. Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTE 33.5. Property, plant and equipment

• Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Items of property, plant and equipment are measured at cost of acquisition or deemed cost applied on transition to Ind AS or cost of construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and

equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use by the management; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under “Other non-current assets”.

Assets value up to 5,000 are fully depreciated in the year of acquisition.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is provided on the “Written Down value” Method, as per the useful life of assets prescribed in Part C of Schedule II of Companies Act, 2013, except “Tools and Equipment” which is depreciated using Straight Line Method (SLM).

Life of Dies and Moulds is taken as 8 years, Plant & Machinery is taken as 25 years & Tools & Equipment is taken as 4 years based on technical evaluation.

Depreciation on addition to assets or sale/disposal of assets is calculated pro rata from the date of put to use or up to the date of sale/disposal, as the case may be.

Depreciation is not calculated on capital work in progress until construction or installation is completed and the asset is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of assets are reviewed by the management at each financial year end & revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised useful life of asset

NOTE 33.6. Intangible assets and amortization

- **Recognition and measurement**

Intangible assets are recognised when the it meets the definition of intangible asset and it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it recognition only when such asset meets definition of intangible asset and recognition criteria mentioned above.

- **Amortization**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its Intangible assets which consist of computer software is amortised over a period of three years and ATAS software is amortised over a period of 25 years.

NOTE 33.7. Revenue recognition

Revenue is recognized when (or as) a performance obligation is satisfied, at the transaction price. The company uses 5 steps model given by Ind AS 115 i.e. identifying contract, identifying performance obligation, determination of transaction price, allocation of transaction price over performance obligation and recognition of revenue when performance obligation is satisfied. A company’s performance obligation is satisfied when it transfers control over a good or service to a customer i.e. when goods/ services are delivered/provided to the customer.

Revenue is measured at the transaction price i.e. Consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component.

For contracts with multiple performance obligations, the transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognised separately for each obligation as and when the recognition criteria for the component is fulfilled.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax.

Other income

Other income comprises of interest income, dividend income, foreign currency gain on financial assets and liabilities, profit on sale of non-financial assets export benefits and fair value changes on financial instruments.

Dividend income is recognised when the Company's right to receive the payment is established, which is in the year when shareholders approve the dividend.

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method. Export benefits in the form of Duty Draw Back claims are recognised in the statement of profit and loss on the date that the Company's right to receive payment is established. The company presents interest income on financial assets at Fair Value through Profit & Loss separately from fair value changes on financial assets.

NOTE 33.8. Finance costs

Finance costs comprise of interest expense on borrowings, and foreign currency loss on financial assets and liabilities, bank charges and commission. Interest expenditure are recognised as it accrues in the statement of profit and loss, using the effective interest method. Other finance cost is recognized as it accrues.

NOTE 33.9. Foreign currencies transactions

The financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognized using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

NOTE 33.10. Employee Benefits Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services, cost of bonus and short-term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-Employment Benefits Defined Contribution Plans

The Company has state governed provident fund scheme and employee state insurance scheme as defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Long Term Employee Benefit

The obligation for long term employee benefits such as long-term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

NOTE 33.11. Income Taxes Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The offset of current tax assets and current tax liabilities if the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTE 33.12. Provisions

A Provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent assets are neither recognized, nor disclosed except when an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

NOTE 33.13. Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. A lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

As a Lessee

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and

- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset the lease, unless those costs are incurred to produce inventories.

The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments (including in substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement Right to use asset

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any Accumulated impairment losses.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

NOTE 33.14. Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as impairment loss and recognized in profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

NOTE 33.15. Fair value measurement

The Company measures financial instruments at fair value if they are to be measured at fair value in accordance with Ind AS, such as investment at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability OR
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuation experts are involved for valuation of significant assets and liabilities. The involvement of external valuation experts is decided upon annually by the management.

NOTE 33.16. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are 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. Trade Receivables that do not contain a significant financing component are measured at transaction price.

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. Company amortizes all transactions cost over period of financial instrument on straight line basis.

Cash and bank balances

Cash and bank balances consist of:

- (i) Cash and cash equivalents - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.
- (ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

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.

The Company in respect of certain 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. These investments are held for medium or long-term purposes. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits etc.
- b. financial assets that are debt instruments and are measured as at FVTOCI
- c. 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 115
- d. Loan commitments which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue 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 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.

De-recognition 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 borrowing for the proceeds received.

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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach..

De-recognition of financial liabilities

The Company de-recognises 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 cross currency swaps. The instruments are employed as hedges of transactions included in the financial statements.

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

Note : 33.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equities shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources.

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.

Note : 34 Contingent liabilities Other money for which the company is contingently liable for**(Rs. In Lakhs)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------------------------------------------------|---------------|---------------|
| i) Excise & Service Tax | 12.34 | 12.34 |
| [Amount paid under protest Rs. 9.39 Lacs (Previous Year Rs.9.39 Lacs)] | | |
| ii) Goods & Service Tax | 534.12 | 534.12 |
| [Amount paid under protest Rs. 26.90 Lacs. (Previous Year Rs.26.90 Lacs)] | | |
| Total | 546.46 | 546.46 |

Note : 35 Commitments**(Rs. In Lakhs)**

| Particulars | 31 March 2023 | 31 March 2022 |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 244.18 | 323.42 |
| (b) Other Commitments | | |
| i) EPCG License towards duty saved and interest thereon (Refer Note A below) | 335.99 | 404.17 |
| ii) PSI Scheme 2007 towards exemption of stamp duty on mortgage (Refer Note B below) | 18.90 | 17.89 |
| iii) PSI Scheme 2007 towards exemption of Electricity duty for a period of 15 years (Refer Note B below) | 2,017.97 | 1,602.66 |
| Total | 2,617.04 | 2,348.14 |

Note A : EPCG License towards duty saved and interest thereon

- i Authorisation Holder shall be under obligation to export items as per details mentioned in this Authorisation. The Export Obligation shall be 6 times of the duty saved on import of Capital Goods on FOB basis within a period of 6 years (Block Years: 1st to 4th year (1st Block) - 50% and 5th to 6th year (2nd Block)- 50%) and shall be reckoned from the date of issue of this Authorisation.
- ii Authorization Holder shall also be required to maintain the past average level of exports [achieved by the EPCG applicant in the preceding three licensing years] for the same and similar products, as endorsed on this Authorisation for the entire export obligation period, including extended period, if any. This annual average Export Obligation is in addition to the FOB value of exports mentioned in Para 8 above.
- iii EO shall be fulfilled by the authorisation holder through export of goods which are manufactured by him or his supporting manufacturer / services rendered by him, for which the EPCG authorisation has been granted.
- iv Authorization Holder may discharge the export obligation by way of direct exports as well as through third party exports. Exports to SEZ units/Supplies to developers/co-developers irrespective of currency of realisation would also be counted for discharge of Export Obligation. Deemed exports as specified under Para 7.02 (a), (b), (e), (f) and (h) of the Foreign Trade Policy 2015-2020 shall also be counted towards fulfilment of Export Obligation.
- v Authorization Holder shall mention this EPCG Authorisation number and date on all export documents of shipments for consideration of exports towards EO fulfilment of the EPCG Authorisation. In case, the Authorization Holder has supporting manufacturer(s), the name of the supporting manufacturer(s) shall also be indicated in Shipping Bills.

Note B : PSI Scheme 2007

Commitments mentioned under point ii & iii above are based on commitments mentioned in Eligibility certificate issued by the authority. This includes unrestricted access to factory for inspection of books and register etc., employment of employees and salaries based on conditions mentioned in certificate, submission of documents, forms etc. Also

- i. not to transfer/shift/lease/hire with or without consideration of fixed assets,
- ii. diuse/keep assets without write of, shift or close unit from existing location
- iii. Change in constitution or management of company
- iv. Company should not get merged or amalgamate with other company.

Note : 36 Employee Benefits:**i. Defined Contribution Plans:****a. Provident fund:**

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made to state managed funds. Benefits provided under plans wherein contributions are made to state managed funds and the Company does not have a future obligation to make good short fall if any, are treated as a defined contribution plan.

Amount of **Rs.55.34 Lakhs** in F.Y: 2022-23 (Rs.50.65 lakhs in F.Y: 2021-22) is recognised as an expense and included in Employees benefits expense (Note-25 in the Statement of Profit and Loss.)

ii. Defined Benefit Plans:

a. The amounts recognised in Balance Sheet are as follows : Funded Plan

| (Rs. In Lakhs) | | | |
|-----------------------|------------------------------------------------------------------|---------------|---------------|
| | Particulars | 31 March 2023 | 31 March 2022 |
| | | Gratuity Plan | Gratuity Plan |
| | | (Funded) | (Funded) |
| A. | Amount to be recognised in Balance Sheet | | |
| | Present Value of Defined Benefit Obligation at the end of period | 206.03 | 185.19 |
| | Less: Fair Value of Plan Assets at the end of period | 192.25 | 157.02 |
| | Amount to be recognised as liability or (asset) | 13.78 | 28.17 |
| B. | Amounts reflected in the Balance Sheet | | |
| | Provisions | 206.03 | 185.19 |
| | Current asset | 192.25 | 157.02 |
| | Net Liability/(Asset) (Refer Note 14 & 20) | 13.78 | 28.17 |

b. The amounts recognised in the Statement of Profit and Loss are as follows: Funded Plan

| (Rs. In Lakhs) | | | |
|-----------------------|---------------------------------------------------------------------------------------------|---------------|---------------|
| | Particulars | 31 March 2023 | 31 March 2022 |
| | | Gratuity Plan | Gratuity Plan |
| | | (Funded) | (Funded) |
| 1 | Current Service Cost (Refer Note 25) | 24.88 | 18.55 |
| 2 | Net Interest (income)/expenses | 0.93 | (0.88) |
| | Net periodic benefit cost recognised in the statement of profit & loss (refer note 25 & 26) | 25.82 | 17.67 |

c. The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan

| (Rs. In Lakhs) | | | |
|-----------------------|-------------------------------------------------------------------------------------|----------------|---------------|
| | Particulars | 31 March 2023 | 31 March 2022 |
| | | Gratuity Plan | Gratuity Plan |
| | | (Funded) | (Funded) |
| 1 | Opening amount recognised in OCI outside profit and loss account | 53.44 | 15.77 |
| 2 | Remeasurements for the year - Obligation (Gain)/loss | (12.08) | 37.78 |
| 3 | Remeasurement for the year - Plan assets (Gain) / Loss | 1.22 | (0.12) |
| 4 | Total Remeasurements Cost / (Credit) for the year recognised in OCI | 42.58 | 53.44 |
| 5 | Less: Accumulated balances transferred to retained earnings | - | - |
| 6 | Total Remeasurements Cost / (Credit) for the year recognised in OCI (refer note 29) | (10.85) | 37.67 |
| | Closing balances (remeasurement (gain)/loss recognised OCI) | 42.58 | 53.44 |

- d. The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: **Funded Plan**

(Rs. In Lakhs)

| | Particulars | 31 March 2023 | 31 March 2022 |
|---|------------------------------------------------------------------------------------|---------------|---------------|
| | | Gratuity Plan | Gratuity Plan |
| | | (Funded) | (Funded) |
| 1 | Balance of the present value of Defined benefit Obligation at the beginning period | 185.19 | 123.93 |
| 2 | Interest expenses | 12.98 | 7.84 |
| 3 | Past Service Cost | - | - |
| 4 | Current Service Cost | 24.88 | 18.55 |
| 5 | Benefits paid | (4.94) | (2.92) |
| 6 | Remeasurements on obligation - (Gain) / Loss | (12.08) | 37.78 |
| | Present value of obligation as at the end of the period | 206.03 | 185.19 |

- e. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: **Funded Plan**

(Rs. In Lakhs)

| | Particulars | 31 March 2023 | 31 March 2022 |
|----|---------------------------------------------------------------------------------------|---------------|---------------|
| | | Gratuity Plan | Gratuity Plan |
| | | (Funded) | (Funded) |
| 1 | Fair value of the plan assets as at beginning of the period | 157.02 | 123.75 |
| 2 | Acquisition adjustment | - | - |
| 3 | Transfer in/(out) | - | - |
| 4 | Interest income | 12.04 | 8.72 |
| 5 | Contributions | 30.00 | 28.00 |
| 6 | Benefits paid | (4.94) | (2.92) |
| 7 | Amount paid on settlement | - | - |
| 8 | Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | (1.22) | 0.12 |
| 9 | Mortality Charges and Taxes | (0.65) | (0.65) |
| 10 | Fair value of plan assets as at the end of the period | 192.25 | 157.02 |

- f. Net interest (Income) / expenses: **Funded Plan**

(Rs. In Lakhs)

| Sl. No. | Particulars | 31 March 2023 | 31 March 2022 |
|---------|----------------------------------------------|---------------|---------------|
| | | Gratuity Plan | Gratuity Plan |
| | | (Funded) | (Funded) |
| 1 | Interest (Income) / Expense – Obligation | 12.97 | 7.84 |
| 2 | Interest (Income) / Expense – Plan assets | (12.04) | (8.72) |
| 3 | Net Interest (Income) / Expense for the year | 0.93 | (0.88) |

- g. Remeasurement for the year (Actuarial Gain/Loss)

(Rs. In Lakhs)

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------------------|---------------|---------------|
| Experience (Gain)/Loss on plan liabilities | (5.04) | (3.01) |
| Demographic (Gain)/Loss on plan liabilities | 0.61 | 9.59 |
| Financial (Gain)/Loss on plan liabilities | (7.10) | 31.21 |
| Experience (Gain)/Loss on plan assets | 2.41 | (0.66) |
| Financial (Gain)/Loss on plan assets | (1.19) | 0.55 |

h. The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:

| Sl. No. | Particulars | (Rs. In Lakhs) | |
|---------|-----------------------------------|-----------------------|-----------------------|
| | | Percentage 2022-23 | Percentage 2021-22 |
| 1 | Government Securities | 0.00% | 0.00% |
| 2 | High quality Corporate Bonds | 0.00% | 0.00% |
| 3 | Equity Shares of Listed companies | 0.00% | 0.00% |
| 4 | Property | 0.00% | 0.00% |
| 5 | Special Deposit Scheme | 0.00% | 0.00% |
| 6 | Funds managed by insurer | 100.00% | 100.00% |
| 7 | Others | 0.00% | 0.00% |
| | Grand Total | 100% | 100% |

Basis used to determine the overall expected return

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.10% in F.Y: 2022-23 (6.40% in F.Y: 2021-22) has been used for the valuation purpose.

i. The amounts pertaining to defined benefit plans are as follows: Funded Plan

| Particulars | (Rs. In Lakhs) | |
|----------------------------|---------------------------|---------------------------|
| | 31 March 2023 | 31 March 2022 |
| | Gratuity Plan (Funded) | Gratuity Plan (Funded) |
| Defined Benefit Obligation | 206.03 | 185.19 |
| Plan Assets | 192.25 | 157.02 |
| (Surplus)/Deficit | 13.78 | 28.17 |

Significant estimates

j. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

- Discount rate as at 31-03-2023- 7.50% (7.10% in F.Y: 2021-22)
- Expected return on plan assets as at 31-03-2023 - 7.10% (6.40% in F.Y: 2021-22)
- Salary Increment rate as at 31-03-2023 Staff 7.00% & Directors 5% (7.00% for Directors & Staff in F.Y: 2021-22)
- Attrition rate as at 31-03-2023: 9.43% (10.62% in F.Y: 2021-22)
- The estimates of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k. General descriptions of defined plans:

1 Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

2 Company's Pension Plan:

The company operates a Pension Scheme for specified ex-employees through a Employees family pension Scheme of 1971 notified by government. wherein the beneficiaries are entitled to defined monthly pension.

- The Company has contributed Rs. 3,000,000 to its gratuity fund in 2023. The Company has informed me that it intends to contribute Rs. 1,400,000 towards its gratuity fund in 2024.

m. Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact

(Rs. In Lakhs)

| Sl. No. | Change in assumption | Effect on Gratuity obligation | Effect on Gratuity obligation |
|----------|-----------------------------|-------------------------------|-------------------------------|
| | | 31 March 2023 | As at 31 March 2022 |
| 1 | Discount rate | | |
| | Increase by 1% | 190.13 | 168.93 |
| | Decrease by 1% | 224.41 | 204.15 |
| 2 | Salary increase rate | | |
| | Increase by 1% | 222.23 | 202.09 |
| | Decrease by 1% | 191.70 | 170.36 |
| 3 | Withdrawal rate | | |
| | Increase by 1% | 206.43 | 140.46 |
| | Decrease by 1% | 207.11 | 251.13 |

Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 12.40 years.

Expected Future Benefit Payments

The following benefits payments for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| Year Ending March 31 | Expected Benefit Payment rounded to nearest thousand |
|----------------------|------------------------------------------------------|
| 2024 | 11.89 |
| 2025 | 10.30 |
| 2026 | 65.11 |
| 2027 | 13.08 |
| 2028 | 15.38 |
| 2029-2033 | 180.13 |

The above cashflows have been arrived at based on the demographic and financial assumptions mentioned earlier in section.

Risk Exposure:

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risk**a. Asset liability Mismatch Risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2. Asset Risk

All plan assets are maintained in a trust fund managed by a public sector insurer viz; Life Insurance Corporation of India.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

Note 37 : Related party disclosures

(A) Names of the related party and nature of relationship where control exists:

There are no parties where control exists

(B) Names of the related party and nature of relationship:

| Sr. No. | Name of the related party | Nature of relationship |
|---------|---------------------------|-----------------------------------------|
| 1 | S.B. Reshellers Pvt. Ltd. | Enterprise having significant influence |

(C) Names of the related parties with whom transactions have been entered into:

I. Key Management Personnel:

| Sr. No. | Name of the related party | Nature of relationship |
|---------|----------------------------------|------------------------------------|
| 1 | Shri Sachin Rajendra Shirgaokar | Chairman & Managing Director (CMD) |
| 2 | Shri Sohan Sanjeev Shirgaokar | Joint Managing Director (Jt.MD) |
| 3 | Shri V. S. Reddy | Executive Director |
| 4 | Shri Shishir Suresh Shirgaokar | Non Executive Director |
| 5 | Shri. Chandan Sanjeev Shirgaokar | Non Executive Director |
| 6 | Shri Suhas Bhalchandra Kulkarni | Chief Financial Officer |
| 7 | Shri Nilesh Mohan Mankar | Company Secretary |

II. Relative of Key Management Personnel:

| Sr. No. | Name of the related party | Nature of relationship |
|---------|------------------------------|------------------------|
| 1 | Sou. Laxmi Sachin Shirgaokar | Wife of CMD |
| 2 | Ms. Shreya Sachin Shirgaokar | Daughter of CMD |
| 3 | Ms. Priya Sachin Shirgaokar | Daughter of CMD |

III. Enterprises over which KMP or Relatives of KMP are able to Exercise significant influence:

| Sr. No. | Name of the related party | Nature of relationship |
|---------|---------------------------------------------|------------------------------------------------|
| 1 | V. S. Shirgaokar Enterprises LLP | CMD, Spouse of CMD, Father of CMD are Partners |
| 2 | D. M. Shirgaokar Enterprises LLP | CMD, Jt. MD are Partners |
| 3 | Suresh Shirgaokar Enterprises LLP | Brother of Jt. MD & Father of CMD are Partners |
| 4 | The Ugar Sugar Works Ltd. | Brother of Jt. MD is MD |
| 5 | Shishir Shirgaokar Enterprise LLP | Jt. MD is Partner |
| 6 | Shri Siddhivinayak Ganapati Cancer Hospital | Non-Executive Director is Chairman |

(D) Disclosure of related parties transactions as per Ind AS – 24:

(Rs. In Lakhs)

| Sr No | Nature of transaction | 2022-23 | | 2021-22 | |
|-------|---------------------------------|---------------|--------|---------------|--------|
| | | Total Amount | Amount | Total Amount | Amount |
| 1 | Purchase of goods | 270.23 | | 352.09 | |
| | S. B. Reshellers Pvt. Ltd. | | 268.62 | | 350.99 |
| | The Ugar Sugar Works Limited | | 1.61 | | 1.10 |
| 2 | Labour Charges Paid | 1.19 | | 9.40 | |
| | S. B. Reshellers Pvt. Ltd. | | 1.19 | | 9.40 |
| 3 | Office Rent Paid | 2.65 | | 2.52 | |
| | S. B. Reshellers Pvt. Ltd | | 2.65 | | 2.52 |
| 4 | Purchase of Fixed Assets | 56.58 | | 244.79 | |

| Sr No | Nature of transaction | 2022-23 | | 2021-22 | |
|----------|-------------------------------------|--------------|--------|---------------|--------|
| | | Total Amount | Amount | Total Amount | Amount |
| | S. B. Reshellers Pvt. Ltd. | | 56.58 | | 244.79 |
| 5 | Interest Payment | 40.60 | | 39.57 | |
| | Ms. Shreya S. Shirgaokar | | 6.32 | | 6.60 |
| | Mrs. Laxmi S. Shirgaokar | | 7.26 | | 7.23 |
| | Ms. Priya S. Shirgaokar | | 1.15 | | 0.71 |
| | Shri Shishir Shirgaokar | | 5.90 | | 5.95 |
| | D M Shirgaokar Enterprises LLP | | 2.20 | | 0.46 |
| | Shishir Shirgaokar Enterprises LLP | | 3.20 | | 3.19 |
| | Suresh Shirgaokar Enterprises LLP | | 6.32 | | 7.21 |
| | V S Shirgaokar Enterprises LLP | | 8.25 | | 8.23 |
| 6 | Repayment of Deposit | 90.00 | | 192.93 | |
| | Mrs. Laxmi S. Shirgaokar | | - | | 65.00 |
| | Shri Shishir Shirgaokar | | - | | 10.00 |
| | Ms. Shreya S. Shirgaokar | | 40.00 | | - |
| | D M Shirgaokar Enterprises LLP | | - | | 1.25 |
| | Shishir Shirgaokar Enterprises LLP | | 3.00 | | 26.00 |
| | V S Shirgaokar Enterprises LLP | | - | | 74.98 |
| | Suresh Shirgaokar Enterprises LLP | | 47.00 | | 15.70 |
| 7 | Acceptance of Deposit | 90.00 | | 208.00 | |
| | Mrs. Laxmi S. Shirgaokar | | - | | 66.00 |
| | Ms Priya S Shirgaokar | | - | | 5.00 |
| | Shri Shishir Shirgaokar | | - | | 10.00 |
| | Ms. Shreya S. Shirgaokar | | 40.00 | | - |
| | D M Shirgaokar Enterprises LLP | | - | | 20.00 |
| | Shishir Shirgaokar Enterprises LLP | | 3.00 | | 26.00 |
| | V S Shirgaokar Enterprises LLP | | - | | 75.00 |
| | Suresh Shirgaokar Enterprises LLP | | 47.00 | | 6.00 |
| 8 | Payment to Key Management Personnel | | | | |
| | Short Term employee benefit | | | | |
| | Shri Sachin R. Shirgaokar | | 86.79 | | 85.91 |
| | Shri Sohan S. Shirgaokar | | 86.79 | | 85.91 |
| | Shri V. S. Reddy | | 77.07 | | 79.74 |
| | Suhas Kulkarni | | 21.03 | | 20.07 |
| | Nilesh Mankar | | 9.52 | | 8.90 |
| | Post-employment benefits** | | | | |
| | Shri V. S. Reddy | | 4.61 | | 4.95 |
| | Suhas Kulkarni | | 0.57 | | 0.57 |
| | Nilesh Mankar | | 0.31 | | 0.31 |
| | Sitting Fees | | | | |
| | Shri Chandan S. Shirgaokar | | 0.30 | | 0.40 |

| Sr No | Nature of transaction | 2022-23 | | 2021-22 | |
|-------|-----------------------------------------------------|--------------|--------|--------------|----------|
| | | Total Amount | Amount | Total Amount | Amount |
| 9 | Shri Shishir Shirgaokar | | 0.25 | | 0.30 |
| | Contribution towards CSR | | | | |
| 10 | Shri Siddhivinayak Ganapati Cancer Hospital | | 1.00 | | - |
| | Corporate/ Personal Guarantee in Company's favour * | | | | |
| | S. B. Reshellers Pvt. Ltd. | | - | | 8,002.00 |

*Jointly & Severally

** As post employment obligations are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above

(E) Amount due to/from related parties:

(Rs. In Lakhs)

| Sr No | Nature of transaction/ relationship/major parties | 31 March 2023 | | 31 March 2022 | |
|-------|------------------------------------------------------|-----------------|--------------------------|-----------------|--------------------------|
| | | Total Amount | Amount for Major parties | Total Amount | Amount for Major parties |
| 1 | Accounts receivable | | | | |
| | (on account of sale of goods and services) | | - | | - |
| | TOTAL | - | | - | |
| 2 | Amount Due | | | | |
| | S. B. Reshellers Pvt. Ltd. | | 670.51 | | 753.64 |
| | The Ugar Sugar Works Limited | | 475.00 | | 475.00 |
| | Mrs. Laxmi S. Shirgaokar | | 66.00 | | 66.00 |
| | Ms. Shreya S. Shirgaokar | | 55.00 | | 55.00 |
| | Ms. Priya S. Shirgaokar | | 10.00 | | 10.00 |
| | Shishir Shirgaokar | | 50.00 | | 50.00 |
| | Shraddha Shirgaokar | | - | | - |
| | D M Shirgaokar Enterprises LLP | | 20.00 | | 20.00 |
| | V S Shirgaokar Enterprises LLP | | 75.00 | | 75.00 |
| | Shishir Shirgaokar Enterprises LLP | | 29.00 | | 29.00 |
| | Suresh Shirgaokar Enterprises LLP | | 56.32 | | 56.32 |
| | Shri Sachin R. Shirgaokar | | 6.22 | | 6.22 |
| | Shri Sohan S. Shirgaokar | | 6.22 | | 6.22 |
| | Shri V. S. Reddy | | 5.46 | | 5.46 |
| | Suhas Kulkarni | | 1.56 | | 1.66 |
| | Nilesh Mankar | | 0.79 | | 0.74 |
| | TOTAL | 1,527.08 | | 1,610.26 | |

All outstanding balances are unsecured and to be settled in cash.

Note 38 : Fair Value of financial assets and liabilities:

a)

(Rs. In Lakhs)

| Sr. No | Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------|--------------------------------------|----------------------|----------------------|
| | Financial Assets | | |
| a) | Carried at amortized cost | | |
| | Other financial assets (Current) | 245.76 | 334.98 |
| | Other financial assets (Non Current) | 15.44 | 15.44 |
| | Trade receivables | 2,207.49 | 3,236.81 |
| | Cash and cash equivalents | 28.91 | 8.62 |
| | Bank balances | 579.01 | 183.79 |

| | | | |
|-----------|--------------------------------------------------------------------|------------------|------------------|
| | | 3,076.61 | 3,779.63 |
| b) | Carried at FVTPL | | |
| | Other financial liabilities | - | - |
| | | - | - |
| c) | Investment at Fair Value through Other Comprehensive Income | | |
| | Equity Shares | 0.25 | - |
| | | 0.25 | - |
| | Financial Liabilities | | |
| a) | Carried at amortized cost | | |
| | Long Term Borrowings | 4,206.06 | 4,321.16 |
| | Other financial liabilities | 428.52 | 321.42 |
| | Short Term Borrowings | 4,160.19 | 3,919.07 |
| | Trade and other payables | 5,204.00 | 6,475.70 |
| | | 13,998.78 | 15,037.34 |

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of financial assets and liabilities measured at amortized cost are a reasonable approximation of their fair values.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

b) Financial assets and liabilities for which fair value is disclosed:

(Rs. In Lakhs)

| Sr. No. | Particulars | Level 1 | Level 2 | Level 3 |
|---------|--------------------------------------------------------------------|---------|---------|---------|
| | Investment at Fair Value through Other Comprehensive Income | | | |
| | March 31, 2023 | - | - | 0.25 |
| | March 31, 2022 | - | - | - |

Note 38 A: Financial risk management policy and objectives

Company's principal financial liabilities, comprise borrowings, trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance company's operations. Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents and other bank balances that are derived directly from its operations.

Company is exposed to certain risks which includes market risk, credit risk and liquidity risk.

Risk Management committee of the company oversees the management of these risks. This committee is accountable to audit committee of the board. This process provides assurance to the company's senior management that company's financial risk-taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite.

The policies for managing these risks are summarised below.

1) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, foreign exchange transactions and other financial instruments.

Company uses expected credit loss model for assessing and providing for credit risk.

a) Trade receivable:

Customer credit risk is managed through the company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Trade receivables are non interest bearing and are generally

on, 30 days to 120 days credit terms. The company has concentration of risk as customer base is not widely distributed, almost 90% of total revenue is contributed by top six customers both economically and geographically.

b) Expected Credit Loss for Trade Receivable

The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance).

i) Impairment of financial assets: Expected credit loss

(Rs. In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------------------------------------------------|-----------------|-----------------|
| Gross carrying amount | 2,300.66 | 3,324.26 |
| Expected loss rate | 0.00 | 0.00 |
| Expected credit losses (loss allowance provision) | (93.17) | (87.45) |
| Carrying amount of trade receivables (net of impairment) | 2,207.49 | 3,236.81 |

c) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's CFO in accordance with company's policy. Investments of surplus funds are made only in fixed deposits and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment company adjust its exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount.

2) Liquidity risk:

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

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

(Rs. In Lakhs)

| Particulars | On Demand | Less than 1 year | More than 1 year | Total |
|---------------------------------------|-----------|------------------|------------------|-----------------|
| a) Trade Payables | | | | |
| March 31, 2023 | - | 5,204.00 | - | 5,204.00 |
| March 31, 2022 | - | 6,473.38 | 2.30 | 6,475.68 |
| b) Borrowings | | | | |
| March 31, 2023 | 1,867.77 | 2,292.42 | 4,206.06 | 8,366.25 |
| March 31, 2022 | 1,761.42 | 2,157.65 | 4,321.16 | 8,240.23 |
| c) Other Financial Liabilities | | | | |
| March 31, 2023 | - | 451.10 | 428.52 | 879.62 |
| March 31, 2022 | - | 583.12 | 321.42 | 904.54 |

The company has access to following undrawn facilities at the end of the reporting period:

| Particulars | Floating Rate | |
|----------------|----------------------------------|------------------------|
| | Expiring within 1 Year | Expiring beyond 1 Year |
| March 31, 2023 | Saraswat - PLR-6% | - |
| | IndusInd - 6 months T-Bills + 3% | - |
| March 31, 2022 | 2% above BRLLR + SP | - |

3) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Foreign Currency Exposure Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense, assets & liabilities is denominated in a foreign currency).

The company manages its foreign currency risk by mapping receive bale against payables in order to minimize currency fluctuation impact.

Foreign currency exposure :

| Financial Assets | Currency | Amount in Foreign Currency in Lakhs | | Amount in INR in Lakhs | |
|-------------------|----------|-------------------------------------|-----------------|------------------------|-----------------|
| | | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| Trade Receivables | EUR | 0.62 | - | 53.80 | - |
| | GBP | 1.03 | 0.86 | 100.78 | 65.01 |
| | USD | - | 1.67 | - | 165.65 |

| Financial Assets | Currency | Amount in Foreign Currency in Lakhs | | Amount in INR in Lakhs | |
|------------------|----------|-------------------------------------|-----------------|------------------------|-----------------|
| | | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| Factoring loan | USD | - | 0.69 | - | 52.67 |
| | GBP | - | 0.21 | - | 21.03 |

| Financial Liabilities | Currency | Amount in Foreign Currency in Lakhs | | Amount in INR in Lakhs | |
|-----------------------|----------|-------------------------------------|-----------------|------------------------|-----------------|
| | | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| Term loan | USD | 5.03 | 11.93 | 420.67 | 904.07 |
| PCFC | USD | - | 3.64 | - | 276.06 |

| Financial Liabilities | Currency | Amount in Foreign Currency in Lakhs | | Amount in INR in Lakhs | |
|-----------------------|----------|-------------------------------------|-----------------|------------------------|-----------------|
| | | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| Trade payable | USD | 3.70 | 5.24 | 310.07 | 397.30 |
| | EUR | 0.08 | 0.38 | 7.28 | 32.31 |

Currency wise net exposure (assets - liabilities):

| Particulars | Amount in Foreign Currency in Lakhs | | Amount in INR in Lakhs | |
|-------------|-------------------------------------|-----------------|------------------------|-----------------|
| | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| EUR | 0.54 | (0.38) | 46.51 | (32.31) |
| USD | (8.73) | (18.45) | (730.74) | (1,359.11) |
| GBP | 1.03 | 1.07 | 100.78 | 86.04 |

Sensitivity Analysis

| Currency | Amount in INR in Lakhs | | Sensitivity % | |
|--------------|------------------------|-------------------|---------------|--------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| EUR | 46.51 | (32.31) | 2.35% | -1.78% |
| USD | (730.74) | (1,359.11) | 10.43% | 3.67% |
| GBP | 100.78 | 86.04 | -1.16% | -1.29% |
| Total | (583.45) | (1,305.38) | 11.62% | 0.60% |

(Rs. In Lakhs)

| Currency | Impact on profit (strengthen) INR | | Impact on profit (weakening) INR | |
|--------------|-----------------------------------|----------------|----------------------------------|--------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| EUR | 1.09 | 0.58 | (1.09) | (0.58) |
| USD | (76.24) | (49.87) | 76.24 | 49.87 |
| GBP | (1.17) | (1.11) | 1.17 | 1.11 |
| Total | (76.32) | (50.40) | 76.32 | 50.40 |

GBP - Great Britain Pound

EUR - Euro

USD - United States Dollar

Note 38 B: Impairment of financial assets: Expected credit loss

Provision for expected credit loss

| Internal rating | Category | Description of category | Basis of recording expected credit loss | |
|-----------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|
| | | | Security Deposits, investments and other financial assets | Trade receivables |
| A | High quality asset, negligible credit risk | Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil. | 12 months expected credit losses | Life- time expected credit losses - simplified approach |
| B | Standard asset, moderate credit risk | Assets where there is moderate risk of default and where there has been low frequency of defaults in past. | | |
| C | Low quality asset, High credit risk | Assets where there is high probability of default. In general, assets where contractual payments are more than year past due are categorized as low quality asset. Also includes where credit risk of counter party has increased significantly through payments may not be more than a year past due. | Life- time expected credit losses | |
| D | Doubtful asset- credit impaired | Assets are written off, when there is no reasonable expectations of recovery. Where loans and receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | |

As at 31 March 2023

1) Expected credit loss for security deposits, investment and other financial assets:

(Rs. In Lakhs)

| Particulars | | Asset group | Internal rating | Estimated gross carrying amount of default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------|-----------------|--------------------------------------------|---------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit losses | Financial assets for which credit risk has not increased significantly from inception | Security Deposits | A | 15.44 | - | - | 15.44 |
| | | Other Financial Assets & investments | A | 246.01 | - | - | 246.01 |
| Loss allowance measured at life time expected credit losses | Financial assets for which credit risk has increased significantly and not credit impaired | - | - | - | - | - | - |
| | Financial assets for which credit risk has increased significantly and credit impaired | - | - | - | - | - | - |

2) Expected credit loss for trade receivables under simplified approach

(Rs. In Lakhs)

| Particulars | Not due | Past due but not impaired | | Total |
|---------------------------------------------------------|----------|---------------------------|------------------|-----------------|
| | | Less than 1 year | More than 1 year | |
| Gross carrying amount | 2,015.53 | 179.79 | 105.34 | 2,300.66 |
| Expected loss rate | 0.00% | 0.00% | 46.93% | 4.05% |
| Expected credit losses (Loss allowance provision) | - | - | (93.17) | (93.17) |
| Carrying amount of trade receivable (Net of impairment) | 2,015.53 | 179.79 | 12.17 | 2,207.49 |

As at 31 March 2022

1) Expected credit loss for security deposits, investment and other financial assets:

(Rs. In Lakhs)

| Particulars | | Asset group | Internal rating | Estimated gross carrying amount of default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------|-----------------|--------------------------------------------|---------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit losses | Financial assets for which credit risk has not increased significantly from inception | Security Deposits | A | 15.44 | - | - | 15.44 |
| | | Other Financial Assets & Investments | A | 334.98 | - | - | 334.98 |
| Loss allowance measured at life time expected credit losses | Financial assets for which credit risk has increased significantly and not credit impaired | - | - | - | - | - | - |
| | Financial assets for which credit risk has increased significantly and credit impaired | - | - | - | - | - | - |

2) Expected credit loss for trade receivables under simplified approach

(Rs. In Lakhs)

| Particulars | Not due | Past due but not impaired | | Total |
|---------------------------------------------------------|----------|---------------------------|------------------|----------|
| | | Less than 1 year | More than 1 year | |
| Gross carrying amount | 2,844.45 | 321.48 | 158.33 | 3,324.26 |
| Expected loss rate | 0.00% | 0.00% | 55.23% | 2.63% |
| Expected credit losses (Loss allowance provision) | - | - | (87.45) | (87.45) |
| Carrying amount of trade receivable (Net of impairment) | 2,844.45 | 321.48 | 70.88 | 3,236.81 |

Note 39: Capital management:

(a) Risk management

The company's objective when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following **Gearing ratio: Net debt (Total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).**

The company's strategy is to maintain a gearing ratio within 4.50 times. The gearing ratios were as follows:

(Rs. In Lakhs)

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------|---------------|---------------|
| Loans and borrowings | 8,366.25 | 8,240.23 |
| Less: Cash and cash equivalents | 28.91 | 8.62 |
| Net debt | 8,337.35 | 8,231.61 |
| Equity | 3,511.22 | 3,416.38 |
| Capital and net debt | 11,848.57 | 11,647.99 |
| Gearing ratio | 2.37 | 2.41 |

(b) Dividend:

(Rs. In Lakhs)

| Particulars | 31 March 2023 | 31 March 2022 |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|
| (i) Equity Shares | 141.30 | 141.30 |
| Final dividend for the year ended 31 March 2023 is INR Nil (31 March 2022INR Nil) per fully paid share | NIL | NIL |
| Interim dividend for the year ended 31 March 2023 is INR Nil (31 March 2022INR Nil) per fully paid share | NIL | NIL |
| (ii) Dividends not recognised at the end of the reporting period | NIL | NIL |

Post the year end, directors have not recommended any dividend (31st March 2022 INR Nil).

Note 40: Ratios:

| Sl. | Particulars | For the year 2022-23 | | | | For the year 2021-22 | | | | Variance (%) | Reason for variance more than 25% |
|-----|---------------------------------------------------------------------------------------------|-------------------------|-------------|--------|------|-------------------------|-------------|--------|------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Numerator | Denominator | Ratios | Days | Numerator | Denominator | Ratios | Days | | |
| 1 | Current Ratio [Current assets / current Liability] | 9,997.64 | 9,935.50 | 1.01 | | 10,851.58 | 11,254.96 | 0.96 | | 4.37% | |
| 2 | Debt-Equity Ratio [Debt/Equity] | 8,366.25 | 3,511.22 | 2.38 | | 8,240.23 | 3,416.38 | 2.41 | | -1.21% | |
| 3 | Debt Service Coverage Ratio [PBFCDT/Interest+Interest Due + Principal repayment] | 2,665.81 | 1,956.69 | 1.36 | | 2,489.57 | 1,951.48 | 1.28 | | 6.79% | |
| 4 | Return on Equity Ratio [(PAT)/(Total op. Equity+Totalcl. Equity)/2] | 86.72 | 3,463.80 | 2.5% | | 142.81 | 3,359.07 | 4.25% | | -41.11% | Due to unprecedented increase in input prices profit has been reducedsubstantially. |
| 5 | Inventory Turnover [Sales/(op. Inventory+cl. Inventory)/2] | 28,971.17 | 6,188.71 | 4.68 | 78 | 28,377.27 | 5,682.44 | 4.99 | 73 | -6.26% | |
| 6 | Trade Receivables Turnover [Sales / (op. receivable+cl. Receivables)/2] | 28,971.17 | 2,722.15 | 10.64 | 34 | 28,377.27 | 3,060.76 | 9.27 | 39 | 14.79% | |
| 7 | Trade Payable Turnover [Net Credit purchase/(op. payables+cl. Payables)] | 17,144.16 | 5,839.85 | 2.94 | 124 | 16,625.75 | 6,063.10 | 2.74 | 133 | 7.06% | |
| 8 | Net Capital Turnover ratio [Sales/Working Capital] | 28,971.17 | 62.14 | 466.21 | | 28,377.27 | (403.38) | -70.35 | | -762.72% | Company's initiative for discounting of receivables within customer's limits, accelerates the recovery and improved cash flow has been used for payment to creditors which results into improvement in 'Net Capital Turnover ratio'. |
| 9 | Net profit Ratio [PAT/Sales] | 86.72 | 28,971.17 | 0.30% | | 142.81 | 28,377.27 | 0.50% | | -40.52% | Due to unprecedented increase in input prices profit has been reducedsubstantially. |
| 10 | Return on Capital Employed [PBFCT/ TCE=(NW+DTL+Total Debt)] | 1,477.14 | 11,906.03 | 12.41% | | 1,456.39 | 11,699.88 | 12.45% | | -0.33% | |
| 11 | Return on Investment [ROI=Interest received / Average Fix deposits] | 23.73 | 381.52 | 6.22% | | 9.52 | 181.32 | 5.25% | | 18.42% | |

Note 41: Note on Corporate Social Responsibility (CSR):

- a) CSR required to be spent by the Company as per Section 135 of the Companies Act 2013 read with schedule VII thereof during the year is Rs.10.17 Lacs (Previous Year Rs.11.56 Lacs).
- b) Expenditure related to CSR is Rs.10 Lacs (Previous year Rs.12 Lacs).

Details of Amount spent towards CSR is given below:**(Rs. In Lakhs)**

| Particulars | As at 31/03/2023 | As at 31/03/2022 |
|-------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| DKTE College of Engineering (Donation of IDEA Lab) | - | 1.00 |
| Raje Vikram Singh Ghatge Foundation (E-learning Kit for Education) | 2.00 | - |
| Shri Siddhivinayak Ganapati Cancer Hospital (Donation to Cancer Hospital-Related Party refer Note No.37) | 1.00 | - |
| Manufacturing Association of Kagal Hatkanagle (Skill Development Centre) | 7.00 | 11.00 |
| Total | 10.00 | 12.00 |

Note 42: Earnings Per Share (Basic and Diluted):-**(Rs. In Lakhs except EPS)**

| Particulars | As at 31/03/2023 | As at 31/03/2022 |
|-------------------------------------------------------------------------|---------------------|---------------------|
| Weighted average number of Equity Shares held during the year (in Nos.) | 141.30 | 141.30 |
| Profit for the year before tax | 69.29 | 306.63 |
| Tax Expenses | (17.45) | 163.81 |
| Net Profit after Tax | 86.74 | 142.82 |
| Basic earning per Equity Share of Rs.10 each | 0.61 | 1.01 |

Note 43 : Transactions with Struck off Companies :**As on 31.03.2023****(Rs. In Lakhs)**

| Name of the Struck Off Company | Nature of Transaction with Struck Off Company | Balance Outstanding | Relationship with Struck Off Company, if any, to be disclosed |
|--------------------------------|-----------------------------------------------|---------------------|---------------------------------------------------------------|
| NA | Investments in Securities | Nil | NA |
| NA | Receivables | Nil | NA |
| NA | Payable | Nil | NA |
| NA | Shares Held by Struck off Company | Nil | NA |
| NA | Other Outstanding Balances (To be Specified) | Nil | NA |

As on 31.03.2022**(Rs. In Lakhs)**

| Name of the Struck Off Company | Nature of Transaction with Struck Off Company | Balance Outstanding | Relationship with Struck Off Company, if any, to be disclosed |
|--------------------------------|-----------------------------------------------|---------------------|---------------------------------------------------------------|
| NA | Investments in Securities | Nil | NA |
| NA | Receivables | Nil | NA |
| NA | Payable | Nil | NA |
| Kaveri Impex Private Limited | Shares Held by Struck off Company | 0.30 | Shareholder |
| NA | Other Outstanding Balances (To be Specified) | Nil | NA |

Note 44: Segment reporting

Company operates in single operating segment of manufacturing of castings. The executive management committee monitors the operating results of entire Company as a whole for the purpose of making decisions about resource allocation and performance assessment.

Details of revenue contributed by single customer that exceeds 10% of total revenue:

| Name of the Customer | 2022-23 | 2021-22 |
|------------------------------------------|---------|---------|
| Vestas Wind Technology India Pvt. Ltd. | 30.31% | 48.57% |
| Vestas Nacelles America Inc. | 5.12% | 13.66% |
| Siemens Gamesa Renewable Power Pvt. Ltd. | 24.42% | 10.66% |

Note 45: Dues to Micro, Small, Medium Enterprises

The Company has compiled this information based on the current information in its possession as at March 31, 2023, no supplier has intimated the Company about its status as Micro and Small Enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 except as disclosed below.

(Rs. In Lakhs)

| Particulars | 2022-23 | 2021-22 |
|----------------------------------------------------------------------------|---------|---------|
| Total outstanding amount in respect of micro, small and medium enterprises | 52.26 | 54.06 |
| Principal amount due and remaining unpaid | 52.26 | 54.06 |
| Interest due on above and unpaid interest | Nil | Nil |
| Interest paid | Nil | Nil |
| Payment made beyond appointment day | Nil | Nil |
| Interest due and payable for the period of delay | Nil | Nil |
| Interest accrued and remaining unpaid | Nil | Nil |
| Amount of further interest remaining due and payable in succeeding years | Nil | Nil |

Note 46 : Charge Creation

The company has registered all Details of Registration or satisfaction of charges with ROC within the prescribed time from the execution of document.

Note 47 : Foreign Exchange Earnings

Company has earned foreign currency amounting to Rs.2933.39 Lacs (Previous Year Rs.4418.26 Lacs)

Note 48 : Willful Defaulter

The company has not been declared as willful defaulter by any banks/Financial Institutions.

Note 49 : Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto Currency or Virtual Currency.

Note 50 : Undisclosed Income If any

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

Note 51 : Layers of Companies

Company does not have any investment covered under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, hence provisions of this Act are not applicable.

Note 52 : Utilisation of share premium

Not applicable

Note 53 : Compliance with approved scheme of arrangement

Not applicable

Note 54 : Disclosure related to reporting under rule 11(e) of the companies (audit and auditors) rules, 2014, as amended.

- 1) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the

understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 55 : Availability of books of accounts & Maintenance of backups

The Company has complied with the Rule(3) of Companies (Accounts) Rules 2014 amended on August 5, 2022, relating to the maintenance of electronic books of account and other relevant books and papers. The Company’s books of accounts and relevant books and papers are accessible in India at all times and backup of the accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on a daily basis.

Note 56 : Regrouping of figures

Figures of the previous year have been regrouped wherever necessary.

**As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W**

**For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED**

**Guruprasad Bobhate
Partner
Membership No.198670**

**Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442**

**Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631**

**Place : Kolhapur
Date : May 26, 2023**

**Suhas B. Kulkarni
Chief Financial Officer**

**Nilesh M. Mankar Company
Secretary**

INDEPENDENT AUDITORS' REPORT

To the Members of
Synergy Green Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited Ind AS Financial Statements of Synergy Green Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

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

A. Transition to Indian Accounting Standard (Ind AS) accounting framework

The company has migrated from BSE (Small and Medium Exchange) SME to BSE main board, due to these company had to prepare Ind AS financial statements.

The company has adopted Ind AS from 1st April 2021 with an effective date of 1st April 2020 for such transition. For periods up to and including the year ended 31st March 2021, the company had prepared and presented its Ind AS financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these Ind AS financial statements for the year ended 31 March 2022, together with the comparative financial information for the previous year ended 31 March 2021 and the transition date Balance Sheet as at 1st April 2020 have been prepared under Ind AS.

The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure.

In view of the complexity involved, Ind AS transition and the preparation of Ind AS financial statements after the transition date have been areas of key focus in our audit.

We have performed following audit procedure for above Key Audit Matter:

- i. Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.

- ii. Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.
- iii. Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.
- iv. Tested the disclosures prescribed under Ind AS.
- v. Obtained an understanding of and assessed the design, implementation and operating effectiveness of company's key internal controls over financial reporting as prescribed by relevant provisions of law and rules made there under
- vi. Assessed experts process, understanding of transaction and accounting adjustments suggested by them to the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

The comparative financial information of the Company for the year ended 31st March 2021 and the transition date opening balance sheet as at 1st April 2020 included in these Financial Statements, are based on the previously issued Financial Statements for the years ended 31 March 2021 and 31 March 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated 27th May 2021 and 26th June 2020 respectively. The adjustments to those Financial Statements for the differences in accounting principles adopted by the company on transition to Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 and Schedule V of the Act read with Companies (Appointment and Managerial Personnel) Rules, 2014 and remuneration paid to directors is in accordance with provisions of this section read with Schedule V.
 - 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, 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 Ind AS Financial Statements — Refer Note 33 to the Financial Statements; [or the Company does not have any pending litigations which would impact its financial position¹]
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts — Refer Note 37 to the Financial Statements;
 - 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 to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
B) the management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the Financial Statements, if any, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or

entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

- v. The Company has not declared or paid dividend during the year.
- vi. The requirement to the use of accounting software for maintaining Company’s books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

Guruprasad Bobhate
Partner
Membership No.198670
UDIN: 22198670AJHRLO9880

Place: Kolhapur
Date: 20th May 2022

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a)(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
 - (B) The Company is maintaining proper records showing full particulars of intangible assets;
 - (b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of 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, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 1 Property, Plant & Equipment to the Ind AS financial statements, are held in the name of the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
 - (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory as compared to book records and have been appropriately dealt with in the books of accounts.
 - (b) According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. In our opinion, these quarterly returns or statements are in agreement with the books of account of the Company.
 - iii. (a) The company during the year has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence reporting under Clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f), of the said Order are not applicable to the Company.
 - iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
 - v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules made thereunder to the extent notified, with regard to the deposits from members. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
 - vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
 - vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Goods and Service Tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues, Goods and Service Tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at 31st March 2022 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where the dispute is pending |
|-------------------------------------|----------------------|--------------|------------------------------------|------------------------------------------------------|
| Service Tax under Finance Act, 1994 | Central Excise Duty | 2,95,110 | 2012-13 & 2013-14 | The Commissioner of Central GST (Appeals), Pune |
| Goods & Services Tax Act, 2017 | Excess refund of GST | 5,07,22,441 | 2017-2018 | Deputy Commissioner of State tax (Appeals), Kolhapur |

- viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.
- (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 company has utilized the money obtained by way of term loans during the year 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 Ind AS financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year³⁹. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.⁷
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and procedures performed by us, we report that the Company has

not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi)(b) of the order is not applicable.

- (c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
 - (d) Based on information and explanation given to us and as represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group.
- xvii. The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.
- xviii. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

Guruprasad Bobhate
Partner
Membership No. 198670
UDIN: 22198670AJHRLO9880

Place: Kolhapur
Date: 20th May 2022

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Ind AS Financial Statements under Clause (i) of Sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Ind AS Financial Statements of Synergy Green Industries Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 with reference to the Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to the Ind AS Financial Statements.

Meaning of Internal Financial controls with reference to the Ind AS Financial Statements

A company's internal financial controls with reference to the Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Ind AS Financial Statements 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 Ind AS 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 Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Ind AS Financial Statements, 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 with reference to the Ind AS Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Ind AS Financial Statements 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, adequate internal financial controls with reference to the Ind AS Financial Statements and such internal financial controls with reference to the Ind AS Financial Statements were operating effectively as at March 31, 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

Guruprasad Bobhate
Partner
Membership No.198670
UDIN: 22198670AJHRLO9880

Place: Kolhapur
Date: 20th May 2022

Balance Sheet As At March 31, 2022

(Amount in Lakhs)

| Sr. No. | Particulars | Note No. | 31-03-2022 | 31-03-2021 | 01-04-2020 |
|------------|------------------------------------------|----------|------------------|------------------|------------------|
| | ASSETS | | | | |
| I. | Non-current assets | | 8,566.57 | 7,250.73 | 6,573.80 |
| | (a) Property, plant and equipment | 1 | 7,590.22 | 6,199.76 | 5,662.93 |
| | (b) Capital work-in-progress | 1 | 689.59 | 344.82 | 87.20 |
| | (c) Investment property | | - | - | - |
| | (d) Other Intangible assets | 1 | 21.13 | 67.30 | 116.68 |
| | (e) Intangible assets under development | | - | - | - |
| | (f) Deferred Tax Assets (net) | 14 | - | 111.06 | 418.55 |
| | (g) Financial assets | | - | - | - |
| | (i) Investments | | - | - | - |
| | (ii) Loans | | - | - | - |
| | (iii) Other financial assets | 2 | 15.44 | 19.51 | 20.51 |
| | (h) Other non-current assets | 3 | 250.19 | 508.28 | 267.93 |
| II. | Current assets | | 10,851.55 | 10,278.41 | 8,089.71 |
| | (a) Inventories | 4 | 6,064.82 | 5,300.02 | 4,643.33 |
| | (b) Financial assets | | - | - | - |
| | (i) Investments | | - | - | - |
| | (ii) Trade receivables | 5 | 3,236.81 | 2,884.70 | 1,671.43 |
| | (iii) Cash and cash equivalents | 6a | 8.62 | 215.91 | 209.97 |
| | (iv) Bank balance other than (iii) above | 6b | 183.79 | 178.86 | 146.18 |
| | (v) Loans | | - | - | - |
| | (vi) Other financial assets | 7 | 334.98 | 652.83 | 250.50 |
| | (c) Assets held for sale | | - | - | - |
| | (d) Current tax assets (net) | | - | - | - |
| | (e) Other current assets | 8 | 1,022.53 | 1,046.09 | 1,168.30 |
| | Total Assets | | 19,418.12 | 17,529.14 | 14,663.51 |

| EQUITY AND LIABILITIES | | | | | |
|-------------------------------|--------------------------------------------------------|--------------|------------------|------------------|------------------|
| | Equity | | | | |
| | (a) Equity share capital | 9 | 3,416.38 | 3,301.76 | 2,995.98 |
| | (b) Other equity | 10 | 1,413.00 | 1,413.00 | 1,413.00 |
| | Retained earnings | | 2,003.38 | 1,888.76 | 1,582.98 |
| | Security Premium | | (252.34) | (366.96) | (672.74) |
| | Liabilities | | 2,255.72 | 2,255.72 | 2,255.72 |
| I. | Non-current liabilities | | 4,746.78 | 4,156.97 | 3,709.66 |
| | (a) Financial liabilities | | | | |
| | (i) Long Term Borrowings | 11 | 4,321.16 | 3,898.35 | 3,565.00 |
| | (ii) Other financial liabilities | 12 | 321.42 | 214.32 | 107.22 |
| | (b) Long-term provisions | 13 | 60.93 | 44.30 | 37.44 |
| | (c) Deferred tax liabilities (net) | 14 | 43.27 | - | - |
| | (d) Other non-current liabilities | | - | - | - |
| II. | Current liabilities | | 11,254.96 | 10,070.41 | 7,957.86 |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | 15 | 3,919.07 | 3,689.09 | 2,329.76 |
| | (ii) Trade and other payables | | | | |
| | a) Total outstanding dues of micro & small Enterprises | 16 | 54.06 | 33.31 | 165.08 |
| | b) Total outstanding dues other than (ii) (a) above | 16 | 6,421.63 | 5,617.20 | 4,721.52 |
| | (iii) Other financial liabilities | 17 | 583.12 | 630.32 | 631.93 |
| | (b) Other current liabilities | 18 | 214.57 | 94.72 | 101.78 |
| | (c) Short-term provisions | 19 | 62.51 | 5.77 | 7.80 |
| | Corporate Information, Basis of Preparation | 30 | | | |
| | Statement of Compliance | 31 | | | |
| | Significant Accounting Policies | 32 | | | |
| | Other Information & Disclosure | 33-52 | | | |
| | Total Equity and Liabilities | | 19,418.12 | 17,529.14 | 14,663.51 |

Signed pursuant to the provisions of section 134 of the Companies Act 2013, in authentication of this Balance Sheet and Notes referred to therein.

As per our report of even date
For M/s DAB & Associates Chartered
Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt. Managing
Director DIN:00217631

Place : Kolhapur
Date : May 20, 2022

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar
Company Secretary

Statement of Profit and Loss For The Year Ended March 31, 2022

(Amount in Lakhs)

| | Particulars | Note No. | 31-03-2022 | 31-03-2021 |
|-------------|---------------------------------------------------------------------------------------------------|----------|------------------|------------------|
| | Income | | | |
| I | Revenue from operations | 20 | 28,377.27 | 19,906.30 |
| II | Other income | 21 | 114.42 | 86.07 |
| III | Total Income | | 28,491.69 | 19,992.37 |
| IV | Expenses | | | |
| | Cost of raw materials and components consumed | 22 | 12,790.76 | 7,677.88 |
| | Changes in inventories of finished goods, work-in-progress | 23 | (465.34) | (542.84) |
| | Employee benefits expense | 24 | 2,340.39 | 2,055.28 |
| | Finance costs | 25 | 1,149.77 | 1,144.10 |
| | Depreciation and amortisation expense | 26 | 1,063.93 | 850.49 |
| | Other Expenses | 27 | 11,305.55 | 8,282.63 |
| | Total expenses | | 28,185.06 | 19,467.54 |
| V | Profit/ (Loss) before exceptional items and tax | | 306.63 | 524.83 |
| VI | Exceptional items | | - | - |
| VII | Profit/ (Loss) before tax | | 306.63 | 524.83 |
| VIII | Tax expense | 29 | 163.81 | 207.25 |
| | Current tax | | - | - |
| | (Excess)/short provision related to earlier years | | - | (104.20) |
| | Deferred tax | | 163.81 | 311.45 |
| IX | Profit/ (Loss) for the year | | 142.82 | 317.58 |
| X | Other comprehensive income | | | |
| | A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| | Re-measurement gain / (loss) on post employment defined benefit plans | 28 | (37.67) | (15.77) |
| | Income tax effect on above | 28 | 9.48 | 3.97 |
| | Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A) | | (28.19) | (11.80) |
| XI | Total comprehensive income for the year, net of tax | | 114.63 | 305.78 |
| XII | Earnings per equity share (nominal value per share Rs. 10 each) | | | |
| | Basic & Diluted | | 1.01 | 2.25 |
| XIII | Corporate Information, Basis of Preparation | 30 | | |
| XIV | Statement of Compliance | 31 | | |
| XV | Significant accounting policies | 32 | | |
| XVI | Other Information & Disclosure | 33-52 | | |
| | The accompanying notes are an integral part of financial statements | | | |

As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate
Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631

Place : Kolhapur
Date : May 20, 2022

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar
Company Secretary

Cash Flow Statement for the Year Ended March 31, 2022

(Amount in Lakhs)

| Sr. No. | Particulars | 31-03-2022 | 31-03-2021 |
|----------|-----------------------------------------------------------|------------------|------------------|
| A | Cash flows from operating activities | | |
| | Net profit before taxes and extraordinary items - | 306.63 | 524.83 |
| | Adjustments for: | | |
| (a) | Depreciation - Other than ROU | 1063.93 | 850.49 |
| (b) | Depreciation - On ROU | 0.00 | 0.00 |
| (c) | Dividend Income | 0.00 | 0.00 |
| (b) | (Profit)/Loss on sale of fixed assets | (30.75) | (4.24) |
| (e) | Bad debts written off | 0.00 | 0.00 |
| (f) | Provision no longer required write back | 0.00 | 0.00 |
| (g) | Government Grant | 0.00 | 0.00 |
| (h) | Income on de-recognition of financial assets | 0.00 | 0.00 |
| (i) | Interest income | (27.41) | (8.89) |
| (j) | Loss on sale of fixed asset | 0.00 | 0.00 |
| (k) | Provision for Doubtful Debts | 78.71 | 8.75 |
| (l) | Interest expenses | 1149.77 | 1144.10 |
| | Operating profits before working capital changes | 2540.88 | 2515.04 |
| | Adjustments for: | | |
| (a) | (Increase)/decrease in trade receivable | (430.81) | (1222.02) |
| (b) | (Increase)/decrease in other financial assets | 321.92 | (401.33) |
| (c) | (Increase)/decrease in other non-financial assets | (3.34) | 122.21 |
| (d) | (Increase)/decrease in inventories | (764.83) | (656.70) |
| (e) | Increase/(decrease) in trade payables | 825.18 | 763.91 |
| (f) | Increase/(decrease) in other financial liabilities | 33.07 | (38.64) |
| (g) | Increase/(decrease) in other non-financial liabilities | 162.15 | (7.06) |
| (h) | Increase/(decrease) in Provisions | 35.70 | (10.93) |
| | Cash generated from operations | 2719.92 | 1064.48 |
| (a) | Income tax paid | 88.29 | (1.30) |
| | Net cash from operating activities | 2808.21 | 1063.18 |
| B | Cash flows from investing activities | | |
| (a) | Purchase of fixed assets | (2639.86) | (1737.48) |
| (b) | Proceeds from sale of other fixed assets | 103.36 | 5.54 |
| (c) | Purchase of Investments | 0.00 | 0.00 |
| (d) | Sale of Investments | 0.00 | 0.00 |
| (e) | Interest received | 27.41 | 8.89 |
| (f) | Dividend Received | 0.00 | 0.00 |
| (g) | Investment in Fixed Deposits | (4.93) | (32.68) |
| | Net cash from investing activities | (2514.02) | (1755.73) |
| C | Cash flows from financing activities | | |
| (a) | Proceeds from Long Term Borrowings | 0.00 | 0.00 |
| (b) | Net Proceeds / (Repayment) of Long Term Borrowings | 610.49 | 1692.67 |
| (c) | Interest paid | (1111.97) | (994.18) |
| (d) | Purchase of ROU assets | 0.00 | 0.00 |
| (e) | Dividend and Dividend distribution tax | 0.00 | 0.00 |
| | Net cash used in financing activities | (501.48) | 698.49 |
| (a) | Net increase in cash and cash equivalents | (207.29) | 5.94 |
| (b) | Cash and cash equivalents at beginning of period | 215.91 | 209.97 |
| (c) | Cash and cash equivalents at the end of period | 8.62 | 215.91 |

Notes to Cash Flow Statement:

- Cash Flow statement has been prepared under indirect method as set out in Ind AS 7 Statement of Cash Flow.
- For Net Debt reconciliation statement refer note no.11
- For Company's policy on cash and cash equivalents refer a note no. 31

As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate
Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631

Place : Kolhapur
Date : May 20, 2022

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar
Company Secretary

Statements of Changes in Equity:

A. Equity Share Capital (Note 9):

Current reporting period

(Rs. In Lakhs)

| Equity Shares of Rs 10 each issued, subscribed and fully paid | No. of Shares | Amount |
|-------------------------------------------------------------------|---------------|----------|
| Opening Balance as on At 1 April 2021 | 141.30 | 1,413.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 141.30 | 1,413.00 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of current reporting period | 141.30 | 1,413.00 |

Previous reporting period

(Rs. In Lakhs)

| Equity Shares of Rs 10 each issued, subscribed and fully paid | No. of Shares | Amount |
|-------------------------------------------------------------------|---------------|----------|
| Opening Balance as on At 1 April 2020 | 141.30 | 1,413.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 141.30 | 1,413.00 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of previous reporting period | 141.30 | 1,413.00 |

B. Other Equity:

(Rs. In Lakhs)

| Particulars | Reserves and Surplus | | Total equity |
|-------------------------------------------------------------------|----------------------|------------------|--------------|
| | Securities Premium | Retained Earning | |
| At 1 April 2021 | 2,255.72 | (672.74) | 1,582.98 |
| Changes in equity share capital due to prior period errors | - | - | - |
| Restated balance at the beginning of the current reporting period | 2,255.72 | (672.74) | 1,582.98 |
| Profit for the year | | 317.58 | 317.58 |
| Other comprehensive income for the year | | (11.80) | (11.80) |
| Total Comprehensive income for the year | - | 305.78 | 305.78 |
| As at 31 March 2021 | 2,255.72 | (366.96) | 1,888.76 |
| As at 1 April 2021 | 2,255.72 | (366.96) | 1,888.76 |
| Changes in equity share capital due to prior period errors | - | - | - |
| Restated balance at the beginning of the current reporting period | 2,255.72 | (366.96) | 1,888.76 |
| Profit for the year | | 142.81 | 142.81 |
| Other comprehensive income for the year | | (28.19) | (28.19) |
| Total Comprehensive income for the year | - | 114.62 | 114.62 |
| At 31 March 2022 | 2,255.72 | (252.34) | 2,003.38 |

As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W

For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED

Guruprasad Bobhate
Partner
Membership No.198670

Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442

Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631

Place : Kolhapur
Date : May 20, 2022

Suhas B. Kulkarni
Chief Financial Officer

Nilesh M. Mankar
Company Secretary

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

| Particulars | Leasehold Land (Right of use of asset) | Buildings | Plant & Equipment | Tools & Equipments | Dies & Moulds | Electrical Installation | Furniture & Fixturs | Office Equipment | Computers | Vehicles | Total | Other intangible Assets |
|----------------------------|-------------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------------|---------------------|------------------|--------------|---------------|------------------|-------------------------|
| Gross Block | | | | | | | | | | | | |
| As at 1 April 2020 | 151.65 | 2,665.22 | 5,289.48 | 278.25 | 1,622.41 | 38.17 | 112.38 | 36.79 | 48.29 | 66.64 | 10,309.28 | 225.85 |
| Additions | - | 433.69 | 486.47 | 5.61 | 318.26 | 5.32 | 1.35 | 8.32 | 2.92 | 77.31 | 1,339.25 | - |
| Asset Held for Disposal | | | | | | | | | | | | |
| Deductions / Amortisation | | | | | | | | | | 16.75 | 16.75 | - |
| As at 31 March 2021 | 151.65 | 3,098.91 | 5,775.95 | 283.86 | 1,940.67 | 43.49 | 113.73 | 45.11 | 51.21 | 127.20 | 11,631.78 | 225.85 |
| Additions | - | 164.60 | 1,272.73 | 30.69 | 979.11 | - | 12.76 | 6.14 | 11.48 | - | 2,477.51 | 3.30 |
| Other adjustments | | | | | | | | | | | | |
| Asset Held for Disposal | | | | | | | | | | | | |
| Deductions (Amortisation) | - | - | 5.18 | - | 309.20 | - | - | - | 1.24 | - | 315.62 | - |
| As at 31 March 2022 | 151.65 | 3,263.51 | 7,043.50 | 314.55 | 2,610.58 | 43.49 | 126.49 | 51.25 | 61.45 | 127.20 | 13,793.67 | 229.15 |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - |
| Upto 1 April 2020 | 14.42 | 854.63 | 2,528.92 | 202.32 | 862.14 | 0.84 | 62.48 | 26.03 | 39.70 | 54.85 | 4,646.36 | 109.17 |
| For the year | 1.66 | 152.74 | 315.05 | 32.12 | 255.55 | 9.68 | 13.19 | 5.24 | 5.57 | 10.32 | 801.12 | 49.38 |
| Asset Held for Disposal | | | | | | | | | | | | |
| Deductions / Amortisation | | | | | | | | | | 15.45 | 15.45 | |
| As at 31 March 2021 | 16.08 | 1,007.37 | 2,843.97 | 234.44 | 1,117.69 | 10.52 | 75.67 | 31.27 | 45.27 | 49.72 | 5,432.02 | 158.55 |
| For the year | 1.66 | 213.66 | 387.45 | 27.20 | 326.92 | 8.54 | 11.63 | 7.03 | 6.49 | 23.86 | 1,014.46 | 49.47 |
| Asset Held for Disposal | | | | | | | | | | | | |
| Deductions / Amortisation | - | - | 0.32 | - | 241.49 | - | - | - | 1.21 | - | 243.02 | - |
| As at 31 March 2022 | 17.74 | 1,221.03 | 3,231.10 | 261.64 | 1,203.12 | 19.06 | 87.30 | 38.30 | 50.55 | 73.58 | 6,203.45 | 208.02 |
| Net Block | | | | | | | | | | | | |
| As at 1 April 2020 | 137.23 | 1,810.59 | 2,760.56 | 75.93 | 760.26 | 37.33 | 49.90 | 10.75 | 8.59 | 11.78 | 5,662.93 | 116.68 |
| As at 31 March 2021 | 135.57 | 2,091.54 | 2,931.98 | 49.42 | 822.97 | 32.97 | 38.06 | 13.83 | 5.94 | 77.48 | 6,199.76 | 67.30 |
| As at 31 March 2022 | 133.90 | 2,042.47 | 3,812.39 | 52.90 | 1,407.45 | 24.43 | 39.19 | 12.95 | 10.90 | 53.62 | 7,590.22 | 21.13 |

Notes:

- For Depreciation and amortisation refer accounting policy Note 32.7
- The information relating to Gross block, accumulated Depreciation, and Impairment if any, has been disclosed as an additional information since the company has adopted deemed cost exemption under IndAS 101, refer Note 45 on first time adoption.
- Contractual Obligation Refer Note No. 34 for estimated amount of contracts remaining to be executed on capital account.

4 Impairment Loss:

No provision for impairment loss is made during the year.

5 PPE pledged as security

Company has hypothecated / mortgaged all property plant and equipments (including Vehicle) and land and building situated at C-18 Five Star MIDC Kagal, Dist. Kolhapur. Against the borrowings from Bank of Baroda, IndusInd Bank, ICICI Bank and HDFC Bank.

6 Ageing Schedule for CWIP & Intangible Assets under Development:

As at 31-03-2022

(A) Ageing Schedule for Capital Work In Progress (CWIP):

(Rs. In Lakhs)

| Capital Work In Progress (CWIP) | Less than 1 year | 1 to 2 years | Grand Total |
|------------------------------------------|------------------|--------------|-------------|
| Project Description | | | |
| 1. Projects in Progress | | | |
| (a) Capacity expansion project | 617.77 | 66.66 | 684.44 |
| (b) Store building extension | - | 3.23 | 3.23 |
| (c) Cabin at Finishing Dept | - | 1.80 | 1.80 |
| (d) MK3 Hub mould box no 01 modification | 0.12 | - | 0.12 |
| Total Projects in Progress | 617.89 | 71.69 | 689.59 |
| 2. Projects Temporarily Suspended | - | - | - |

(B) Intangible Assets under development

(Rs. In Lakhs)

| Intangible Assets under development | Less than 1 year | 1 to 2 years | Grand Total |
|-------------------------------------|------------------|--------------|-------------|
| Project Description | | | |
| 1. Projects in Progress | - | - | - |
| Total Projects in Progress | - | - | - |
| 2. Projects Temporarily Suspended | - | - | - |

As at 31-03-2021

(A) Ageing Schedule for Capital Work In Progress (CWIP):

(Rs. In Lakhs)

| Capital Work In Progress (CWIP) | Less than 1 year | 1 to 2 years | Grand Total |
|-----------------------------------|------------------|--------------|-------------|
| Project Description | | | |
| 1. Projects in Progress | | | |
| (a) Capacity expansion project | 4.95 | | 4.95 |
| (b) Plant and Machinery expansion | 304.52 | | 304.52 |
| (c) Cabin at Finishing Dept | - | | - |
| (d) JIGS AND FIXTURES-WIP | 23.06 | 12.29 | 35.35 |
| Total Projects in Progress | 332.53 | 12.29 | 344.82 |
| 2. Projects Temporarily Suspended | - | - | - |

(B) Intangible Assets under development

(Rs. In Lakhs)

| Intangible Assets under development | Less than 1 year | 1 to 2 years | Grand Total |
|-------------------------------------|------------------|--------------|-------------|
| Project Description | | | |
| 1. Projects in Progress | - | - | - |
| Total Projects in Progress | - | - | - |
| 2. Projects Temporarily Suspended | - | - | - |

(A) Ageing Schedule for Capital Work In Progress (CWIP):
(Rs. In Lakhs)

| Capital Work In Progress (CWIP) | Less than 1year | 1 to 2 years | Grand Total |
|-----------------------------------|-----------------|--------------|-------------|
| Project Description | | | |
| 1. Projects in Progress | | | |
| (a) Capacity expansion project | 11.03 | | 11.03 |
| (b) Plant and Machinery expansion | 21.94 | | 21.94 |
| (c) Cabin at Finishing Dept | - | | - |
| (d) Mould box modification | 41.94 | 12.29 | 54.23 |
| Total Projects in Progress | 74.91 | 12.29 | 87.20 |
| 2. Projects Temporarily Suspended | - | - | - |

(B) Intangible Assets under development
(Rs. In Lakhs)

| Intangible Assets under development | Less than 1year | 1 to 2 years | Grand Total |
|-------------------------------------|-----------------|--------------|-------------|
| Project Description | | | |
| 1. Projects in Progress | - | - | - |
| Total Projects in Progress | - | - | - |
| 2. Projects Temporarily Suspended | - | - | - |

7 Completion Schedule for Projects Overdue or Exceeded Cost Estimate
As at 31-03-2022

(Rs. In Lakhs)

| CWIP/Intangible Assets under Development | To be completed in | | | |
|------------------------------------------|--------------------|--------------|--------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 years and more |
| Project in progress | | | NIL | |
| Project suspended | | | NIL | |

As at 31-03-2021

(Rs. In Lakhs)

| CWIP/Intangible Assets under Development | To be completed in | | | |
|------------------------------------------|--------------------|--------------|--------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 years and more |
| Project in progress | | | NIL | |
| Project suspended | | | NIL | |

As at 01-04-2020

(Rs. In Lakhs)

| CWIP/Intangible Assets under Development | To be completed in | | | |
|------------------------------------------|--------------------|--------------|--------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 years and more |
| Project in progress | | | NIL | |
| Project suspended | | | NIL | |

8 Title deeds of Immovable Properties not held in name of the Company:

As at 31-03-2022

| Relevant line item in Balance Sheet | Description of item of property | Gross carrying value | Title deed held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the |
|-------------------------------------|---------------------------------|----------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|
| Property Plant and Equipment | - | - | - | - | - | - |
| Property Plant and Equipment | - | - | - | - | - | - |

As at 31-03-2021

| Relevant line item in | Description of item | Gross | Title deed held in | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of | Property held since which date | Reason for not |
|-----------------------|---------------------|-------|--------------------|----------------------------------------------------------------------------------------------------|--------------------------------|----------------|
|-----------------------|---------------------|-------|--------------------|----------------------------------------------------------------------------------------------------|--------------------------------|----------------|

| BalanceSheet | of property | carryingvalue | thename of | promoter/ director | | being held in the |
|------------------------------|-------------|---------------|------------|--------------------|---|-------------------|
| Property Plant and Equipment | - | - | - | - | - | - |
| Property Plant and Equipment | - | - | - | - | - | - |

As at 01.04.2020

| Relevant line item in BalanceSheet | Description of item of property | Gross carrying value | Title deedsheld in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the |
|------------------------------------|---------------------------------|----------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|
| Property Plant and Equipment | - | - | - | - | - | - |
| Property Plant and Equipment | - | - | - | - | - | - |

NOTE 2: OTHER FINANCIAL ASSETS (NON CURRENT):

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------------------------|------------------|------------------|------------------|
| Security deposits (Unsecured, considered good) | 14.27 | 14.27 | 15.27 |
| Income Tax Refund Receivable | 1.02 | 5.09 | 5.09 |
| Advance To Gratuity Trust | 0.15 | 0.15 | 0.15 |
| Total | 15.44 | 19.51 | 20.51 |

1. Other financial assets are measured at amortised cost.
2. Refer Note 38 on risk management objectives and policies for financial instruments.
3. Deposits are measured at amortised cost.

NOTE 3: OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|--------------------------------------------------------|------------------|------------------|------------------|
| Capital advances | 147.86 | 344.56 | 209.71 |
| GST, Central Excise & Service Tax | 36.29 | 9.39 | 9.39 |
| Tax paid in advance (net of provision) (Refer Note 29) | | | |
| Advance Income Tax | 115.27 | 203.56 | 202.26 |
| Less: Provision for Income Tax | (49.23) | (49.23) | (153.43) |
| Total | 250.19 | 508.28 | 267.93 |

NOTE 4: INVENTORIES

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------|------------------|------------------|------------------|
| Raw materials | 1,376.42 | 1,066.86 | 965.46 |
| Raw materials and components | 1,376.42 | 1,066.86 | 965.46 |
| Raw materials in transit | - | - | - |
| Pattern Stock | 344.15 | 428.61 | 388.69 |
| Work-in-progress | 3,227.54 | 3,120.81 | 2,546.83 |
| Finished goods | 604.09 | 245.49 | 276.63 |
| Finished goods | 188.45 | 148.46 | 254.31 |
| Finished goods in Transit | 415.63 | 97.03 | 22.32 |
| Stores and spares | 512.63 | 438.25 | 465.72 |
| Total | 6,064.82 | 5,300.02 | 4,643.33 |

Inventories written down to net realisable value during the year ended 31 March 22, Rs 40.25 Lacs. (Previous Year Rs 59.19 Lacs) were recognised as an expense in the statement of profit and loss during the year.

The above inventories are hypothecated to Bankers for working capital facility.

NOTE 5: TRADE RECEIVABLES

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|-------------|------------------|------------------|------------------|
|-------------|------------------|------------------|------------------|

| | | | |
|----------------------------------------------------------|-----------------|-----------------|-----------------|
| Trade receivables [Refer note (1) below] | 3,236.81 | 2,884.70 | 1,671.43 |
| Break-up for security details: | | | |
| Secured, considered good | - | - | - |
| Unsecured, considered good | 3,236.81 | 2,806.00 | 1,671.43 |
| Doubtful credit impaired | 87.45 | 87.45 | - |
| Loss Allowance (allowance for bad and doubtful debts) | (87.45) | (8.75) | - |
| Total | 3,236.81 | 2,884.70 | 1,671.43 |

- Trade receivables are measured at amortised cost.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade or other receivables due from firms or private companies respectively in which any director is a partner, a director or a member Rs. Nil (Previous year Rs. Nil)
- Trade receivables are non-interest bearing and are generally on terms of 90 to 120 days.
- Movement of impairment Allowance (allowance for bad and doubtful debts).

(Rs. In Lakhs)

| Particulars | Amount |
|---------------------------|---------|
| At 1 April 2020 | |
| Provided during the year | (8.75) |
| Amounts written off | - |
| Amount written back | - |
| At 31 March 2021 | (8.75) |
| Provided during the year | (78.71) |
| Amounts written off | - |
| Amount written back | - |
| At 31st March 2022 | (87.45) |

- Refer Note 37B on credit risk of trade receivables, which explains how the Company manages and measures creditquality of trade receivables that are neither past due nor impaired.
- We have entered into factoring agreement with India Factoring and Finance Solutions Pvt. Ltd. wherein we have factored export receivables without recourse to us hence invoice amount which is not factored has been shown as tradereceivables and same is included above.

Also, in case of domestic debtors we have entered into factoring agreement with India Factoring and Finance SolutionsPvt. Ltd. with recourse to us, hence amount factored is included in trade receivables above.

Disclosure Requirement for Current Trade Receivables:

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|------------------|-----------|-----------|-------------------|----------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| As at 31st March 2022 | | | | | | | |
| (i) Undisputed Trade receivables — considered good | 2,757.00 | 319.83 | 1.65 | 70.88 | | | 3,149.36 |
| (ii) Undisputed Trade Receivables — which have significant increase in creditrisk | | | | | | | - |
| (iii) Undisputed Trade Receivables —credit impaired | | | | | | | - |
| (iv) Disputed Trade Receivables —considered good | | | | | | | - |
| (v) Disputed Trade Receivables — whichhave significant increase in credit risk | | | | | | | - |
| (vi) Disputed Trade Receivables —credit impaired | | | | | | 87.45 | 87.45 |

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|----------|
| | Not Due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| As at 31st March 2021 | | | | | | | |
| (i) Undisputed Trade receivables — considered good | 2,455.48 | 341.13 | 0.64 | | | | 2,797.25 |
| (ii) Undisputed Trade Receivables — which have significant increase in creditrisk | | | | | | | - |
| (iii) Undisputed Trade Receivables —credit | | | | | | | - |

| | | | | | | | |
|--------------------------------------------------------------------------------|--|--|--|--|--|-------|-------|
| impaired | | | | | | | |
| (iv) Disputed Trade Receivables —considered good | | | | | | | - |
| (v) Disputed Trade Receivables — which have significant increase in creditrisk | | | | | | | - |
| (vi) Disputed Trade Receivables —credit impaired | | | | | | 87.45 | 87.45 |

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|----------|--------------------|-------------------|-----------|-----------|-------------------|----------|
| | As at 1st April 2020 | Not Due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables — considered good | | 1,506.84 | 51.00 | 22.22 | 0.20 | | | 1,580.27 |
| (ii) Undisputed Trade Receivables — which have significant increase in creditrisk | | | | | | | | - |
| (iii) Undisputed Trade Receivables — credit impaired | | | | | | | 3.71 | 3.71 |
| (iv) Disputed Trade Receivables —considered good | | | | | | | | - |
| (v) Disputed Trade Receivables — which have significant increase in creditrisk | | | | | | | 87.45 | 87.45 |
| (vi) Disputed Trade Receivables —credit impaired | | | | | | | - | - |

NOTE 6a: CASH AND CASH EQUIVALENTS

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|-----------------------------------------------------------|------------------|------------------|------------------|
| Balance with Bank | | | |
| Current accounts and debit balance in cash creditaccounts | 7.41 | 214.81 | 209.37 |
| Cash on hand | 1.21 | 1.11 | 0.60 |
| Total | 8.62 | 215.91 | 209.97 |

NOTE 6b: OTHER BANK BALANCES

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|----------------------------------------------------------------------------------|------------------|------------------|------------------|
| Deposits with original maturity of more than threemonths but less than 12 months | 183.79 | 178.86 | 146.18 |
| Total | 183.79 | 178.86 | 146.18 |

Refer Note 38 on risk management objectives and polices for financial instruments.

NOTE 7: OTHER FINANCIAL ASSETS (CURRENT)

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------------------------|------------------|------------------|------------------|
| Security deposits (Unsecured, considered good) | | | |
| Export incentive receivable | 57.00 | 184.85 | 35.85 |
| Factoring Loans and advances | 106.64 | 257.07 | - |
| GST Refund receivable | 171.34 | 210.91 | 214.65 |
| Total | 334.98 | 652.83 | 250.50 |

Notes :

1. Other financial assets are measured at amortized cost.
2. Refer Note 38 on risk management objectives and policies for financial instruments.

NOTE 8: OTHER CURRENT ASSETS

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|----------------------|------------------|------------------|------------------|
| Advance to suppliers | 70.34 | 20.76 | 131.09 |
| Staff Advances | 1.29 | 0.94 | 1.46 |

| | | | |
|------------------------------------------------|-----------------|-----------------|-----------------|
| Sales tax / VAT / service tax receivable (net) | 0.25 | 45.15 | 45.15 |
| GST Receivable | 812.70 | 908.11 | 919.40 |
| Prepaid expenses | 137.95 | 70.91 | 55.82 |
| Other Current Assets | - | 0.22 | 15.38 |
| Total | 1,022.53 | 1,046.09 | 1,168.30 |

NOTE 9: OTHER CURRENT ASSETS

(Rs. In Lakhs)

Authorised share capital Equity shares of Rs 10 each

| Particulars | No. of shares | Rs. In Lacs |
|-------------------------------------|---------------|-------------|
| At 1 April 2020 | 150 | 1,500 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2021 | 150 | 1,500 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2022 | 150 | 1,500 |

Issued and subscribed share capital Equity shares of Rs 10 each

(Rs. In Lakhs)

| Particulars | No. of shares | Amount in INR |
|----------------------------|---------------|---------------|
| As at 1 April 2020 | 141.30 | 1,413 |
| Changes during the year | | |
| As at 31 March 2021 | 141.30 | 1,413 |
| Changes during the year | | |
| As At 31 March 2022 | 141.30 | 1,413 |

Terms / Rights attached to equity shares:

Each member present in person shall have one vote, the voting right of the members shall be in proportion to his share in the paid up equity share capital of the company and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. For the year ended March 31, 2022 the Board of Directors has not proposed any dividend (Previous year Nil).

(Rs in Lakhs)

| Name of the Shareholder | As At 31 March 2022 | | As at 31 March 2021 | | As at 1 April 2020 | |
|-------------------------------------------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| | No. of shares | % of share-holding | No. of shares | % of share-holding | No. of shares | % of share-holding |
| S. B. Reshellers Pvt. Ltd. | 5,409,964 | 38.29% | 5,409,964 | 38.29% | 5,409,949 | 38.29% |
| Radhika Sanjeev Shirgaokar & Sohan Sanjeev Shirgaokar | 742,354 | 5.25% | 742,354 | 5.25% | 742,354 | 5.25% |
| Radhika Sanjeev Shirgaokar & Chandan Sanjeev Shirgaokar | 742,352 | 5.25% | 742,352 | 5.25% | 742,352 | 5.25% |
| Sachin Rajendra Shirgaokar & Laxmi Sachin Shirgaokar | 740,228 | 5.24% | 740,228 | 5.24% | 740,228 | 5.24% |
| Vendavagali Srinivasa Reddy & Sou. Vendavagali Kuberi Reddy | 1,510,000 | 10.69% | 1,510,000 | 10.69% | 1,510,000 | 10.69% |
| Massachusetts Institute of Technology | 1,396,000 | 9.88% | 1,396,000 | 9.88% | 1,396,000 | 9.88% |

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

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buyback of shares.

Promoters' shareholding:

(Rs. In Lakhs)

| Particulars | As at 31 March 2022 |
|-------------|---------------------|
|-------------|---------------------|

| | No. of shares | % of shareholding | % change during the year |
|-----------------------------|---------------|-------------------|--------------------------|
| S. B. Reshellers Pvt. Ltd. | 54.10 | 38.29% | - |
| Sachin Rajendra Shirgaokar | 7.40 | 5.24% | - |
| Sohan Sanjeev Shirgaokar | 1.20 | 0.85% | - |
| Vendavagali Srinivasa Reddy | 15.10 | 10.69% | - |

Promoters' shareholding:

(Rs. In Lakhs)

| Particulars | As at 31 March 2021 | | |
|-----------------------------|---------------------|-------------------|--------------------------|
| | No. of shares | % of shareholding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 54.10 | 38.29% | - |
| Sachin Rajendra Shirgaokar | 7.40 | 5.24% | - |
| Sohan Sanjeev Shirgaokar | 1.20 | 0.85% | - |
| Vendavagali Srinivasa Reddy | 15.10 | 10.69% | - |

Promoters' shareholding:

(Rs. In Lakhs)

| Particulars | As at 1 April 2020 | | |
|-----------------------------|--------------------|-------------------|--------------------------|
| | No. of shares | % of shareholding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 54.10 | 38.29% | - |
| Sachin Rajendra Shirgaokar | 7.40 | 5.24% | - |
| Sohan Sanjeev Shirgaokar | 1.20 | 0.85% | - |
| Vendavagali Srinivasa Reddy | 15.10 | 10.69% | - |

NOTE 10: OTHER EQUITY

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------------------|------------------|------------------|------------------|
| GENERAL RESERVE | | | |
| Opening Balance | - | - | - |
| Add : Transferred from Retained earnings | - | - | - |
| SECURITY PREMIUM | 2,255.72 | 2,255.72 | 2,255.72 |
| RETAINED EARNINGS | (252.34) | (366.96) | (672.74) |
| Opening Balance | (366.96) | (672.74) | (929.62) |
| | - | - | - |
| Add : Profit for the period | 142.81 | 317.58 | 332.78 |
| Add : Other Comprehensive income (Loss) | (28.19) | (11.80) | - |
| | 114.62 | 305.78 | 332.78 |
| Less : Appropriations | - | - | - |
| Transferred to General reserve | - | - | - |
| Final dividend | - | - | - |
| Tax on proposed dividend | - | - | - |
| Transition effect of Ind as 101 | - | - | 75.91 |
| Total | 2,003.38 | 1,888.76 | 1,582.98 |

Nature and purpose of other reserves

A. General reserve:

General reserve is created by setting aside amount from the Retained Earnings of the Company for general purposes which is freely available for distribution.

B. Securities Premium:

Securities premium is a premium collected above face value on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|----------------------|------------------|------------------|------------------|
| Security Premium | 2,255.72 | 2,255.72 | 2,255.72 |
| Total other reserves | 2,255.72 | 2,255.72 | 2,255.72 |

NOTE 11: LONG-TERM BORROWINGS

(Rs. In Lakhs)

| Particulars | Interest rate | As at 31/03/2022 | As at 31/03/2021 | As at 01/04/2020 |
|---------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
| TERM LOANS FROM BANKS, SECURED | | | | |
| Term loan from Bank of Baroda - Term Loan I | BOB Base Rate + 3.00% | - | 472.00 | 835.00 |
| Term loan from Bank of Baroda - Term Loan II | BOB Base Rate + 3.00% | - | 36.00 | 72.00 |
| Term loan from Bank of Baroda - Term Loan III | BOB Base Rate + 3.00% | 343.71 | 543.71 | 643.71 |
| Term loan from Bank of Baroda - Term Loan IV | BOB Base Rate + 3.00% | 146.35 | 174.35 | - |
| Term loan from Bank of Baroda - Term Loan V(Foreign Currency Term Loan) | BOB Base Rate + 3.00% | 525.08 | 492.80 | - |
| Term loan from Bank of Baroda - Term Loan VI (Foreign Currency Term Loan) | BOB Base Rate + 3.00% | 378.99 | - | - |
| Working capital Term loan from Bank of Baroda - BGECL I | BRLLR +1% | 636.00 | 636.00 | - |
| Working capital Term loan from Bank of Baroda - BGECL II | BRLLR +1% | 580.00 | - | - |
| Term Loan from Indusind Bank | BOB Base Rate + 3.00% | 578.82 | - | - |
| Vehicle loan from ICICI Bank Ltd | ICICI Bank 11.01% | 4.19 | 6.11 | 7.83 |
| Vehicle loan from HDFC Bank Ltd | ICICI Bank 9.30% | - | 3.51 | 9.11 |
| Vehicle loan from ICICI Bank Ltd | HDFC CAR LOAN 9.30% | 17.15 | 21.44 | - |
| | | 3,210.27 | 2,385.92 | 1,567.65 |
| Less: Current maturities of non current borrowings | | 733.72 | 935.31 | 506.33 |
| Sub Total | | 2,476.56 | 1,450.61 | 1,061.31 |
| TERM LOANS FROM FINANCIAL INSTITUTION, SECURED | | - | - | - |
| Vehicle loan from Toyota Financial Services India Ltd. | | 28.07 | 36.69 | - |
| Sub Total | | 28.07 | 36.69 | - |
| Less: Current maturities of non current borrowings | | 9.04 | 8.37 | - |
| Sub Total | | 19.03 | 28.32 | - |
| Total | | 2,495.59 | 1,478.93 | 1,061.31 |
| UNSECURED DEPOSITS | | | | |
| Deposits from Directors, Relatives of Directors and Companies | | 1,144.57 | 1,364.69 | 1,464.90 |
| Sub Total | | 1,144.57 | 1,364.69 | 1,464.90 |
| Less: Current maturities of non current borrowings | | 390.00 | 16.27 | 32.21 |
| Sub Total | | 754.57 | 1,348.42 | 1,432.69 |
| PREFERENCE SHARE CAPITAL | | 1,071.00 | 1,071.00 | 1,071.00 |
| Total Long Term Borrowings | | 4,321.16 | 3,898.35 | 3,565.00 |

Out of above, guaranteed by Chairman and Managing Director, Joint Managing Director and Executive Director.

Term Loan- I from Bank of Baroda (BOB) is obtained for Capex on Plant & Machine. Hypothecation of plant & machineries, shed materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd. Bank of Baroda had issued sanction letter on 08.04.2020 and subsequently issued sanction letter dated 13.07.2020. This loan is fully repaid on 31.03.2022 and also satisfaction of charge of above assets is registered with ROC.

Term Loan - II from Bank of Baroda (BOB) is obtained for construction of Administrative building and purchase of indigenous machinery & movable fixed assets. Hypothecation of plant & machineries, shed materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd. Bank of Baroda had issued sanction letter on 08.04.2020 and subsequently issued sanction letter dated 13.07.2020. This loan is fully repaid on 31.03.2022 and also satisfaction of charge of above assets is registered with ROC.

Term Loan - III from Bank of Baroda (BOB) is obtained for construction of factory building and purchase of machinery. Hypothecation of plant & machineries, shed materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd. Bank of Baroda had issued sanction letter on 08.04.2020 and subsequently issued sanction letter

dated 13.07.2020. Accordingly, the loan is repayable in 20 quarterly instalments of Rs. 50 Lacs commencing from (25.08.2019) i.e. 6 months from date of first disbursement. last instalment is falling due on 25th Feb. 2024 subject to annual review.

Term Loan - IV from Bank of Baroda (BOB) is obtained for construction of additional factory building and purchase of machinery. Hypothecation of plant & machineries, Shed Materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd. Bank of Baroda had issued sanction letter on 08.04.2020 and subsequently issued sanction letter dated 13.07.2020. Accordingly, the loan is repayable in 24 quarterly instalments of Rs. 43 Lacs commencing from (31st May 2021) i.e. 9 months from date of first disbursement and 25th instalment of Rs. 44 Lacs. last instalment is falling due on 31st May 2027 subject to annual review.

Term Loan - V from Bank of Baroda (BOB) is obtained for purchase of indigenous machinery. Hypothecation of plant & machineries, Shed Materials & equitable mortgage of factory land, building at Kagal location; and collateral charge over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S. B. Reshellers Pvt. Ltd. Bank of Baroda had issued sanction letter on 08.04.2020 and subsequently issued sanction letter dated 13.07.2020. Accordingly, the loan is repayable in 25 quarterly instalments of Rs. 7 Lacs commencing from (31st May 2021) last instalment is falling due on 31st May 2027 subject to annual review.

Term Loan - VI from Indusind Bank Ltd is obtained for to meet capex requirement for factory building construction and Civil Work at C-18 Kagal Five Star MIDC Kolhapur and purchase of new plant and machinery. First PariPassu charge on entire (All) Fixed Assets (both present and future) of the company with Bank of Baroda and Second PariPassu Charge on Hypothecation of entire current assets for value 809.00 Lakhs at Kagal location; and over the current assets; Entire amount has been personally guaranteed, jointly and severally, by Chairman and Managing Director, Jt. Managing Director, Executive Director. Indusind Bank issued sanction letter on 13.07.2021. Accordingly, the loan is repayable in 20 equal quarterly instalments commencing from 30th April, 2022 instalments of Rs.1.00 Crores & last instalment is falling due on 29 January 2027 subject to annual review.

Term Loan - AWCTL from Bank of Baroda (BOB) is obtained for additional working Capital term Loan in view of COVID 19 Crisis as a special case, to built up current assets for Working Capital requirement /To meet out liquidity mismatch/ To use for other business requirement, addition to existing Primary & Collateral Security of factory land, building at C-18 MIDC Kagal location; and collateral charge over the current assets; Bank of Baroda had sanctioned working Capital loan account of the Company and issued sanction letter Dt. 19.03.2021. Accordingly, the loan is repayable in 35 Monthly instalments of Rs. 17.60 Lacs and 1 installment of Rs.20.00 Lakh commencing from (30th April 2022) last instalment is falling due on 31st May 2025 subject to annual review.

Term Loan - WCTL (Working Capital Term Loan) under -BGECL 1.0-EXTENSION SCHEME from Bank of Baroda (BOB) is obtained for additional working Capital term Loan in view of COVID 19 Crisis as a special case, to meet out liquidity mismatch/ To use for other business requirement, addition to existing Primary & Collateral Security of factory land, building at C-18 MIDC Kagal location; and collateral charge over the current assets; Bank of Baroda had sanctioned working Capital loan account of the Company and issued sanction letter Dt. 10.12.2021. Accordingly, the loan is repayable in 36 Monthly instalments of Rs. 16.12 Lacs and 1 installment of Rs.15.80 Lakh commencing from (31st Dec 2023) last instalment is falling due on 30th Nov 2026 subject to annual review.

Vehicle Loan from HDFC Bank Ltd. is secured by hypothecation of Vehicles, which is repayable in 60 monthly instalments and last instalment is falling due on 7th October 2021. Rate of Interest 9.30% p.a. This loan is fully repaid on 07.10.2021 and also satisfaction of charge of above assets is registered with ROC.

Vehicle Loan from ICICI Bank Ltd. is secured by hypothecation of Vehicles, which is repayable in 60 monthly instalments and last instalment is falling due on 1st February 2024. Rate of Interest 9.30% p.a.

Vehicle Loan from ICICI Bank Ltd. is secured by hypothecation of Vehicles, which is repayable in 60 monthly instalments and last instalment is falling due on 15th July 2025. Rate of Interest 8.30% p.a.

Vehicle Loan from Toyota Financial Services India Ltd. is secured by hypothecation of Vehicles, which is repayable in 48 monthly instalments and last instalment is falling due on 10th February 2025. Rate of Interest 7.66% p.a.

Unsecured Loans:-Deposits accepted during the year from Directors, relatives of Directors and Companies and are repayable on maturity @ 11% p.a. interest. (Previous Year 11% p.a.)

Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2022.

| Particulars | (Rs. In Lakhs) | | |
|---------------------------|------------------|------------------|------------------|
| | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
| Cash and Cash Equivalents | 8.62 | 215.91 | 209.97 |
| Non-Current Borrowings | (4,321.16) | (3,898.35) | (3,565.00) |

| | | | |
|--------------------|-------------------|-------------------|-------------------|
| Current Borrowings | (3,919.07) | (3,689.09) | (2,329.76) |
| Total | (8,231.61) | (7,371.52) | (5,684.79) |

(Rs. In Lakhs)

| Particulars | Cash & Cash Equivalents | Borrowings | Total |
|--------------------------------------|-------------------------|-----------------|-----------------|
| Net Debt As on April 1, 2020 | 209.97 | 5,894.76 | 5,684.79 |
| Cash Flows | 5.94 | 1,842.59 | 1,836.65 |
| Foreign Exchange Adjustment | | | - |
| Interest paid | | 994.18 | 994.18 |
| Interest and Other Expenses | | (1,144.10) | (1,144.10) |
| Net Debt As on March 31, 2021 | 215.91 | 7,587.43 | 7,371.52 |
| Cash Flows | (207.29) | 690.60 | 897.89 |
| Foreign Exchange Adjustment | | | - |
| Interest paid | | 1,111.97 | 1,111.97 |
| Interest and Other Expenses | | (1,149.77) | (1,149.77) |
| Net Debt As on March 31, 2022 | 8.62 | 8,240.23 | 8,231.61 |

Disclosure pertaining to Preference share capital:

(Rs. In Lakhs)

Authorised share capital - Preference shares of Rs 100 each

| Particulars | No. of shares | Amount |
|-------------------------------------|---------------|----------|
| At 1 April 2020 | 13.00 | 1,300.00 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2021 | 13.00 | 1,300.00 |
| Increase/(decrease) during the year | - | - |
| At 31 March 2022 | 13.00 | 1,300.00 |

Issued and subscribed share capital Preference shares of Rs 100 each

(Rs. In Lakhs)

| Particulars | No. of shares | Amount |
|----------------------------|---------------|----------|
| As at 1 April 2020 | 10.71 | 1,071.00 |
| Changes during the year | - | - |
| As at 31 March 2021 | 10.71 | 1,071.00 |
| Changes during the year | - | - |
| As at 31 March 2022 | 10.71 | 1,071.00 |

Each Share shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate of 10%, on the capital for the time being paid up or credited as paid up thereon. With effect from April 1, 2019 Preference Shares class was changed from Non - cumulative to Cumulative. Each share has priority to the equity share of the company, but shall not confer any further or other right to participate either in profits or assets of the Company. The shares are redeemable at any time after completion of one year but within twenty years from the date of allotment. As per Section 47 of The Companies Act, if the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Number of Shares held by each shareholder holding more than 5% Shares in the Company:

(Rs. in Lakhs)

| Name of the Shareholder | As At 31 March 2022 | | As at 31 March 2021 | | As at 1 April 2020 | |
|----------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| | No. of shares | % of share-holding | No. of shares | % of share-holding | No. of shares | % of share-holding |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | 596,000 | 55.65% | 596,000 | 55.65% |
| The Ugar Sugar Works Ltd | 4.75 | 44.35% | 475,000 | 44.35% | 475,000 | 44.35% |

Reconciliation of Share Capital:

(Rs. in Lakhs)

| Name of the Shareholder | As At 31 March 2022 | | As at 31 March 2021 | | As at 1 April 2020 | |
|-------------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| | No. of shares | % of share-holding | No. of shares | % of share-holding | No. of shares | % of share-holding |

| | | | | | | |
|--------------------------------------------------------------|-------|----------|-------|----------|-------|----------|
| Number of shares outstanding as at the beginning of the year | 10.71 | 1,071.00 | 10.71 | 1,071.00 | 10.71 | 1,071.00 |
| Add: No. of shares issued during the year | - | - | - | - | - | - |
| Less: Number of shares redeemed during the year | - | - | - | - | - | - |
| Number of shares outstanding as at the end of the year | 10.71 | 1,071.00 | 10.71 | 1,071.00 | 10.71 | 1,071.00 |

Promoters' shareholding

(Rs. in Lakhs)

| Name of Promoter Shareholder | As at 31 March 2022 | | |
|------------------------------|---------------------|---------------------|--------------------------|
| | No. of shares | % of share- holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | - |

Promoters' shareholding

(Rs. in Lakhs)

| Name of Promoter Shareholder | As at 31 March 2021 | | |
|------------------------------|---------------------|---------------------|--------------------------|
| | No. of shares | % of share- holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | - |

Promoters' shareholding

(Rs. in Lakhs)

| Name of Promoter Shareholder | As at 1 April 2020 | | |
|------------------------------|--------------------|---------------------|--------------------------|
| | No. of shares | % of share- holding | % change during the year |
| S. B. Reshellers Pvt. Ltd. | 5.96 | 55.65% | - |

NOTE 12: OTHER FINANCIAL LIABILITIES**(Rs. In Lakhs)**

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------------|------------------|------------------|------------------|
| Deposits from customers and others | 0.12 | 0.12 | 0.12 |
| Preference Dividend Payable | 321.30 | 214.20 | 107.10 |
| Total | 321.42 | 214.32 | 107.22 |

Notes :

- Other financial liabilities are measured at amortised cost.
- For explanations on the Company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 37A

NOTE 13: LONG-TERM PROVISIONS**(Rs. In Lakhs)**

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|--------------------------------|------------------|------------------|------------------|
| Provision for leave encashment | 60.93 | 44.30 | 37.44 |
| Provision for gratuity | - | - | - |
| Other provisions | - | - | - |
| Total | 60.93 | 44.30 | 37.44 |

NOTE 14: DEFERRED TAX LIABILITY (NET)**(Rs. In Lakhs)**

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------------------|------------------|------------------|------------------|
| Deferred Tax Assets | (43.27) | 111.06 | 418.55 |
| Provision for Doubtful debts & advances | 22.01 | 2.20 | - |
| Long term provisions | - | 52.94 | 183.39 |
| Disallowances u/s 43 B of Income Tax Act | 35.62 | 41.23 | - |
| Unabsorbed Depreciation | - | 124.40 | 370.88 |
| Carried Forward Loss | 44.16 | - | 26.77 |
| Total | 101.79 | 220.77 | 581.03 |
| Less : Deferred Tax Liability | (145.06) | (109.71) | (162.48) |
| Depreciation | (137.98) | (109.71) | (162.48) |
| Ind AS impact on borrowings | (7.08) | - | - |
| Total | (43.27) | 111.06 | 418.55 |

- Reconciliation of deferred tax Liabilities (Net):

| Particulars | As at 31/03/2022 | As at 31-03-2021 |
|-------------------------------------------------------------------|------------------|------------------|
| Opening balance as of 1 April | (111.06) | (418.55) |
| Tax income/(expense) during the year recognised in profit or loss | 163.81 | 311.45 |
| Tax income/(expense) during the year recognised in OCI | (9.48) | (3.97) |
| Closing balance as at 31 March | 43.27 | (111.06) |

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to Income taxes levied by the same tax authority.
- There is no change in the applicable tax rate of 25.168% compare to the previous year (31 March 2021: 25.168%) and (01 April 2020: 25.168%)

| Particulars | As at 31/03/2022 (12 Months) | As at 31-03-2021 (12 Months) | As at 01/04/2020 (12 Months) |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Unused tax losses for which no Deferred Tax Assets have been recognised-Long Term capital loss on sale of Mutual Fund units | - | - | - |
| Potential Tax benefit | - | - | - |

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

- During the year ended 31 March 2021 and 31 March 2020, the Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence dividend distribution tax paid is charged to equity.
- There is no change in the applicable tax rate of 25.168% compared to the previous year (31 March 2021:25.168%)
- The unused tax losses were incurred by the company on sale on Long term units of Mutual Fund in which company is not likely to generate taxable income in the foreseeable future. The losses can be carried forward as per the provisions of Income Tax Act.

NOTE 15: BORROWINGS

(Rs. In Lakhs)

Interest bearing borrowings from Banks

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|------------------------------------------------------|------------------|------------------|------------------|
| Interest bearing borrowings from Banks | | | |
| Cash credit | 1,485.36 | 2,273.67 | 1,791.21 |
| Packing Credit | 276.06 | - | - |
| Bills Payable | 1,024.89 | 455.47 | - |
| Sub Total | 2,786.31 | 2,729.14 | 1,791.21 |
| Current Maturities of Long Term Debt- Secured | | | |
| From Banks | 733.72 | 935.31 | 506.33 |
| From Others | 399.04 | 24.64 | 32.22 |
| Sub Total | 1,132.76 | 959.95 | 538.55 |
| Aggregate secured borrowings | 3,529.07 | 3,672.82 | 2,297.55 |
| Aggregate unsecured borrowings | 390.00 | 16.27 | 32.21 |
| Total | 3,919.07 | 3,689.09 | 2,329.76 |

- Borrowings are measured at amortised cost.
- Cash Credit from Bank of Baroda is secured against Hypothecation of stock, book debts, current and future, and collateral security in nature of equitable mortgage of factory land and building and extended charge on Plant and Machineries of the Company. Entire amount has been personally guaranteed, jointly and severally, by Managing Director, Jt. Managing Director, Executive Director and Corporate Guarantee by S.B.Reshellers Pvt. Ltd. The cash credit is repayable on demand and carries rate of interest at MCLR+3.25% p.a.
- There is no continuing default, as at the balance sheet date, in repayment of any of the above loans & interest thereon.
- For explanations on the company's Interest risk, foreign currency risk and liquidity risk management processes, refer to Note 37 A.

NOTE 16: TRADE AND OTHER PAYABLES

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|-------------------------------------------------------|------------------|------------------|------------------|
| Acceptances | 1,041.49 | 924.35 | 622.48 |
| Due to micro, small and medium enterprises | 54.06 | 33.31 | 165.08 |
| Due to other than micro, small and medium enterprises | 5,380.15 | 4,692.85 | 4,099.04 |
| Total | 6,475.70 | 5,650.51 | 4,886.60 |

- Trade and other payables are measured at amortised cost.
- For explanations on the Company's Foreign currency risk and liquidity risk management processes, refer to Note 37 A.

Disclosure requirement for Current Trade payables:

(Rs. In Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------------|------------------------------------------------------------|-------------|-----------|-------------------|-----------------|
| | Less Than 1 year | 1-2 Years | 2-3 Years | More than 3 years | |
| As at 31st March 2022 | | | | | |
| 1. MSME | 54.06 | - | - | - | 54.06 |
| 2. Acceptances | 1,041.49 | - | - | - | 1,041.49 |
| 3. Others | | | | | |
| a) external parties | 5,220.22 | 2.30 | - | - | 5,222.52 |
| b) related parties | 157.63 | - | - | - | 157.63 |
| 4. Disputed Dues – MSME | - | - | - | - | - |
| 5. Dispute Dues - Others | - | - | - | - | - |
| Total | 6,473.40 | 2.30 | - | - | 6,475.70 |
| As at 31st March 2021 | | | | | |
| 1. MSME | 33.32 | - | - | - | 33.32 |

| | | | | | |
|-----------------------------|-----------------|--------------|---|---|-----------------|
| 2. Acceptances | 924.35 | - | - | - | 924.35 |
| 3. Others | | | | | |
| a) external parties | 4,530.22 | 11.83 | - | - | 4,542.05 |
| b) related parties | 150.79 | - | - | - | 150.79 |
| 4. Disputed Dues – MSME | - | - | - | - | - |
| 5. Dispute Dues - Others | - | - | - | - | - |
| Total | 5,638.68 | 11.83 | - | - | 5,650.51 |
| As at 1st April 2020 | | | | | |
| 1. MSME | 165.08 | - | - | - | 165.08 |
| 2. Acceptances | 622.48 | - | - | - | 622.48 |
| 3. Others | | | | | |
| a) external parties | 4,060.26 | 2.89 | - | - | 4,063.15 |
| b) related parties | 35.89 | - | - | - | 35.89 |
| 4. Disputed Dues – MSME | - | - | - | - | - |
| 5. Dispute Dues - Others | - | - | - | - | - |
| Total | 4,883.71 | 2.89 | - | - | 4,886.60 |

Terms and conditions of the above Trade payables:

Trade payables including related parties are non-interest bearing and having average term of 6 months except retention money payable.

NOTE 17: OTHER FINANCIAL LIABILITIES (CURRENT)

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|--------------------------------------------|------------------|------------------|------------------|
| Interest accrued but not due on borrowings | - | 69.30 | 26.48 |
| Payable for capital purchases | - | - | - |
| To MSME | 0.78 | 5.99 | 23.10 |
| To Others | 225.96 | 231.74 | 220.40 |
| Employee benefits payable | 115.91 | 110.16 | 161.04 |
| Security Deposits of Civil Contractors | 16.33 | 25.66 | 19.57 |
| Foreign Currency Swap (MTM Liability) | 7.43 | - | - |
| Other financial liabilities | 216.71 | 187.47 | 181.34 |
| | - | - | - |
| Total | 583.12 | 630.32 | 631.93 |

1. Other financial liabilities are measured at amortised cost.
2. For explanations on the Company's Interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 37 A

NOTE 18: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|-------------------------------------------------------------------|------------------|------------------|------------------|
| Advance from Customers | 179.14 | 18.92 | 73.93 |
| Statutory dues including provident fund and taxdeducted at source | 35.43 | 33.50 | 27.85 |
| Deferred revenue on Government Grant | - | 42.30 | - |
| Total | 214.57 | 94.72 | 101.78 |

NOTE 19: SHORT-TERM PROVISIONS

(Rs. In Lakhs)

| Particulars | As at 31-03-2022 | As at 31-03-2021 | As at 01-04-2020 |
|---------------------------------|------------------|------------------|------------------|
| Provision for employee benefits | 5.87 | 5.59 | 5.20 |
| Provision for gratuity | - | - | - |
| Provision for leave encashment | 28.47 | - | - |
| Other Provision | - | - | - |
| Provision for Warranty | 62.51 | 5.77 | 7.80 |
| Total | | | |

Particulars:**1. Employee benefits obligations****a. Gratuity:**

The Company provides gratuity for employees as per the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is funded plan.

b. Compensated absences:

The leave obligation cover the Company's liability for earned leaves.

2. Others:

- a.** Warranty is given to customers at the time of sale of castings manufactured. In case of subsequent casting rejection the same are rectified / replaced based on mutual discussion with customers.

Movement of warranty provision :

(Rs. In Lakhs)

| Particulars | Amounts |
|---------------------------|---------|
| At 1 April 2020 | - |
| Arising during the year | - |
| Utilised | - |
| Unused amount reversed | - |
| At 31 March 2021 | - |
| Arising during the year | 28.47 |
| Utilised | - |
| Unused amount reversed | - |
| At 31st March 2022 | 28.47 |

(Rs. In Lakhs)

| Particulars | As at 31/03/2022 | As at 31/03/2021 | As at 01/04/2020 |
|------------------------------------------|------------------|------------------|------------------|
| As at 1 April | - | - | - |
| Availed during the year | - | - | - |
| Released to statement of profit and loss | - | - | - |
| As at 31 March | - | - | - |

NOTE 20: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|---------------------------------|------------------|------------------|
| Sale of products | - | - |
| Windmill Castings | 20,691.91 | 14,549.10 |
| Other Castings | 6,779.73 | 4,747.34 |
| Service Charges | - | - |
| Sale of services | 15.12 | 3.34 |
| Total sales and services | 27,486.76 | 19,299.78 |
| Operating income | | |
| Sale of Pattern | 771.89 | 200.75 |
| Export Incentive | 58.77 | 330.16 |
| Sale of Scrap | 59.85 | 54.12 |
| Government grant income | - | 21.49 |
| Total | 890.51 | 606.52 |

NOTE 21: OTHER INCOME

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|----------------------------------------------------|---------------|--------------|
| Interest | | |
| On Bank Deposits | 9.52 | 8.61 |
| On Income Tax Refund and on VAT refund | 17.89 | 0.28 |
| Net foreign currency exchange gain on transactions | 56.26 | 72.94 |
| Gain on disposal of property, plant and equipment | 30.75 | 4.24 |
| Total | 114.42 | 86.07 |

NOTE 22: COST OF RAW MATERIALS CONSUMED

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|---------------------------|------------------|-----------------|
| Raw materials consumed | 12,151.28 | 7,510.34 |
| Pattern Material Consumed | 639.48 | 167.54 |
| | - | - |
| Total | 12,790.76 | 7,677.88 |

NOTE 23: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|-------------------------------------|-----------------|-----------------|
| Opening inventory (A) | | |
| Work-in-process | 3,120.81 | 2,546.83 |
| Finished goods | 148.46 | 254.31 |
| Finished goods in Transit | 97.03 | 22.32 |
| Traded goods | - | - |
| Closing Inventory (B) | 3,366.30 | 2,823.46 |
| Work-in-process | 3,227.55 | 3,120.81 |
| Finished goods | 188.46 | 148.46 |
| Finished goods in Transit | 415.63 | 97.03 |
| Traded goods | - | - |
| | 3,831.64 | 3,366.30 |
| Changes in inventory (A - B) | (465.34) | (542.84) |

NOTE 24: EMPLOYEE BENEFITS EXPENSE:

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|------------------------------------------------------------|-----------------|-----------------|
| Salaries, wages, bonus | 1,042.56 | 980.07 |
| Wages Contract Labour | 1,163.98 | 968.31 |
| Gratuity (Refer Note 35) | 17.67 | 15.30 |
| "Contribution to provident and other funds(Refer Note 35)" | 50.65 | 48.48 |
| Welfare and training expenses | 65.53 | 43.12 |
| Total | 2,340.39 | 2,055.28 |

NOTE 25: FINANCE COSTS:

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|-----------------------------------------------------|-----------------|-----------------|
| Interest on Term Loan, CC and Bill discounting | 866.14 | 757.45 |
| Preference Dividend on Redeemable Preference Shares | 107.10 | 107.10 |
| Interest expense - others | 65.90 | 110.81 |
| Other borrowing cost | | |
| Bank Commission & Charges | 110.63 | 168.74 |
| Total | 1,149.77 | 1,144.10 |

NOTE 26: DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|-----------------------------------------------|-----------------|---------------|
| Depreciation and amortization expense | | |
| Depreciation on Property, Plant and Equipment | 1,014.46 | 801.11 |
| Depreciation on Investment properties | - | - |
| Amortization of Intangible assets | 49.47 | 49.38 |
| Amount written off against leasehold land | - | - |
| | - | - |
| Total | 1,063.93 | 850.49 |

NOTE 27: OTHER EXPENSES

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|-----------------------------------------|------------------|-----------------|
| Manufacturing expenses | | |
| Stores and Spares consumed | 3,535.48 | 2,404.47 |
| Power and fuel | 2,510.18 | 2,029.09 |
| Machinery spares | 82.72 | 81.15 |
| Repairs to machinery | 18.54 | 43.39 |
| Repairs to Building | 5.56 | 5.32 |
| Repairs to Others | 39.24 | 24.30 |
| Outside Labour Charges | 3,496.07 | 2,444.10 |
| Labour charges | - | - |
| Cost of services | - | - |
| Others manufacturing expenses | 121.70 | 59.79 |
| Selling expenses | | |
| Freight outward | 832.70 | 629.91 |
| Packing and forwarding | 255.73 | 198.93 |
| Provision for Warranty | 8.82 | 24.11 |
| Provision for doubtful debts | 78.71 | 8.75 |
| Sales Rebate | 1.62 | 34.72 |
| Administration expenses | | |
| Rent | 56.63 | 62.42 |
| Rates and taxes | 49.87 | 35.67 |
| Insurance | 19.57 | 19.57 |
| Repairs to building | - | - |
| Other repairs and maintenance | 23.53 | 26.36 |
| Travelling and conveyance | 31.97 | 26.18 |
| Communication expenses | 8.64 | 7.58 |
| Printing and stationery | 3.40 | 2.59 |
| Professional charges | 33.86 | 52.59 |
| Auditor's remuneration | | |
| Statutory Audit Fees | 2.55 | 2.55 |
| Tax Audit Fees | 0.30 | 0.30 |
| Limited Review Fees | 0.45 | 0.45 |
| Certification Charges | 1.16 | 1.84 |
| Reimbursement of Expenses | 0.08 | 0.10 |
| Spend on CSR activities (Refer Note 40) | 12.00 | 9.65 |
| Directors' Sitting Fees | 2.85 | 4.50 |
| Miscellaneous expenses | 33.66 | 6.40 |
| Staff & Guest Expenses | 9.72 | 3.85 |
| Garden Expenses | 4.79 | 0.37 |
| Security Charges | 23.44 | 31.63 |
| Total | 11,305.55 | 8,282.63 |

NOTE 28: Other comprehensive income not to be reclassified to profit or loss in subsequent periods:

(Rs. In Lakhs)

| Particulars | 31-03-2022 | 31-03-2021 |
|----------------------------------------------------------|----------------|----------------|
| Re-measurement gains / (losses) on defined benefit plans | (37.67) | (15.77) |
| Income tax effect on above | 9.48 | 3.97 |
| Total | (28.19) | (11.80) |

Note No. 29 Employee Benefits:

Figures of the previous year have been regrouped wherever necessary.

i. Defined Contribution Plans:

Amount of Rs.17.67 Lakhs in F.Y: 2021-22 (Rs.15.30 lakhs in F.Y: 2020-21) is recognised as an expense and included in Employees benefits expense (Note-20 in the Statement of Profit and Loss.)

ii. Defined Benefit Plans:

(a) The amounts recognised in Balance Sheet are as follows: Funded Plan

(Rs in lakhs)

| Particulars | 2021-22 | 2020-21 |
|----------------------------------------------------------------|---------|----------|
| Current income tax: | | |
| Current income tax charge | - | - |
| Adjustments in respect of current income tax of previous year | - | (104.20) |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | 163.81 | 311.45 |
| MAT Credit Entitlement | - | - |
| Income tax expense reported in the statement of profit or loss | 163.81 | 207.25 |

(b) Other Comprehensive Income:

Deferred tax related to items recognised in OCI during in the year:

(Rs in lakhs)

| Particulars | 2021-22 | 2020-21 |
|---------------------------|---------|---------|
| Income tax charged to OCI | 9.48 | 3.97 |

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

(Rs in lakhs)

| Particulars | 2021-22 | 2020-21 |
|-----------------------------------------------------------------------------------------------|---------|---------|
| Accounting profit before tax | 306.63 | 524.83 |
| At statutory income tax rate of 25.168% (a) | 77.17 | 132.09 |
| Adjustments | | |
| Preference Dividend Expense | 26.95 | 26.95 |
| Interest On MSME | | 1.32 |
| Other Disallowance | 59.68 | 46.89 |
| Deferred tax impact other items | | |
| Total (b) | 86.64 | 75.17 |
| Tax expenses at effective rate (a+b) | 163.81 | 207.25 |
| Total Tax expense as per books | 163.81 | 207.25 |
| The companies effective tax rates for the year ended 31st March 2022 and 31st March 2021 were | 53.42% | 39.49% |

(2) Movement in deferred tax:

(a) Movement in deferred tax:

(Rs in lakhs)

| Particulars | 31 March 2022 | 31 March 2021 | 01st April 2020 |
|-------------------------------------------------------------|---------------|---------------|-----------------|
| Property, plant and equipment (Depreciation) | 137.98 | 109.71 | 162.48 |
| Employee benefits - compensated absences | (35.62) | (41.23) | - |
| Provision for doubtful debts and advances | (22.01) | (2.20) | - |
| Carry Forward Loss | (44.16) | (124.40) | (397.65) |
| Others - (DTA)/DTL | 7.08 | (52.94) | (183.39) |
| Net deferred tax liabilities/(assets) other than MAT credit | 43.27 | (111.06) | (418.55) |

(Rs in lakhs)

| Particulars | 2021-22 | 2020-21 |
|-------------|---------|---------|
|-------------|---------|---------|

| | | |
|----------------------------------------------|---------|---------|
| Property, plant and equipment (Depreciation) | 28.27 | (48.81) |
| Employee benefits - compensated absences | 5.62 | (41.23) |
| Provision for doubtful debts and advances | (19.81) | (2.20) |
| Carry Forward Loss | 80.24 | 273.24 |
| Others - (DTA)/DTL | 69.49 | 130.45 |
| Deferred tax expense/(income) | 163.81 | 311.45 |

(b)

(Rs in lakhs)

| Reflected in balance sheet as | 31 March 2022 | 31 March 2021 | 01 April 2020 |
|-------------------------------|---------------|---------------|---------------|
| Deferred tax asset | (101.79) | (220.77) | (581.03) |
| Deferred tax liability | 145.06 | 109.71 | 162.48 |
| Matching with note 2(a) above | 43.27 | (111.06) | (418.55) |
| MAT credit entitlement | - | - | - |
| Net Deferred tax asset | 43.27 | (111.06) | (418.55) |
| Deferred tax expense/(income) | | 163.81 | 311.45 |

(Rs in lakhs)

| | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------------------------------------|---------------|---------------|
| Movement in current tax | | |
| Non Current tax (asset)/ liability as at beginning of period | (154.33) | (48.83) |
| Add: Additional provision during the year - Statement of Profitand loss account | - | (104.20) |
| Refund Received during the year | 151.22 | 4.05 |
| Less : TDS credit of previous year | (62.93) | (5.35) |
| Current and Non Current tax (asset)/ liability as at end ofperiod | (66.04) | (154.33) |

(Rs in lakhs)

| Reflected in balance sheet as | 31 March 2022 | 31 March 2021 |
|---------------------------------------------|---------------|---------------|
| Provision for income tax | - | - |
| Current advance tax | - | (5.35) |
| Non- current advance tax (net of provision) | (66.04) | (148.98) |
| | (66.04) | (154.33) |

Note No. 30 Corporate information:

Synergy Green Industries Limited (“the Company”) is a public limited Company incorporated in 2010, had listed on SME Platform of BSE & NSE. It has migrated from SME platform of BSE to main board and listed on NSE on 28th July 2021. Company has its corporate office situated at 392, E ward, Shahupuri, Kolhapur-416001 and the worksis situated at Kagal - Hatkanangale Five Star Industrial Area, Kolhapur-416216.

The Company is engaged in the business of foundry i.e., manufacturing of wind turbine casting and other large precision castings. The Company started as a green filed foundry project during 2011 and entered in commercial operation in June 2012.

Note No. 31 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from April 1, 2020. Previous period figures have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2021 and April 1, 2020 and of the Total comprehensive income for the year ended March 31, 2021. An explanation of how the transition to Ind AS has affected the reported balance sheet and profit or loss of the company is provided in Note 42. These financial statements have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended read with Section 133 of the Companies Act, 2013 (the “Act”).

Note No: 32 Significant accounting policies:

32.1 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements were authorized for issue by the Board of Directors as on 20th May 2022.

32.2 Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following items which are measured on alternative basis on each reporting date.

| Item | Measurement Basis |
|----------------------------|-------------------|
| Defined Benefit Obligation | Fair Value |
| Financial Instruments | Fair Value |

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information is presented in INR rounded to the nearest Lakhs except share and per share data, unless otherwise stated.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

32.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

This note provides an overview of the areas that involve a higher 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.

Critical estimates and judgments:

The areas involving critical estimates or judgments are:

1. Estimation of defined benefit obligation – Refer note 36

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on past historical average and future expectation of inflation rates.

Further details about gratuity obligations are given in Note 36.

2. Impairment of financial assets Refer note 31.10

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Estimated useful life of intangible assets - Refer note 31.10 Intangible asset and amortization.

4. Deferred tax assets are recognized for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

32.4 Inventories

- Raw materials, components, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes all cost of purchase and incidental expenses incurred in bringing the inventories to their present location and condition. Cost is ascertained using weighted average method.
- Work-in-process and finished goods are valued at cost or net realisable value whichever is lower. Cost includes direct materials, labour costs and a proportion of manufacturing overheads based on the normal operating capacity.
- Materials-in-transit are valued at actual cost incurred up to the date of balance sheet.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- Runners and Risers are valued at replacement cost or net realisable value whichever is lower.
- The inventory of patterns purchased and held for sale is valued at lower of cost and net realizable value. The cost comprises of all the costs of purchases and other costs incurred in bringing the inventories to their present location and condition.

32.5 Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

32.6 Property, plant and equipment

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent cost**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is provided on the "Written Down value" Method, as per the useful life of assets prescribed in Part C of Schedule II of Companies Act, 2013, except "Tools and Equipment" which is depreciated using Straight Line Method (SLM).

Life of Dies and Moulds is taken as 8 years, Plant & Machinery is taken as 25 years & Tools & Equipment is taken as 4 years based on technical evaluation.

Depreciation on addition to assets or sale/disposal of assets is calculated pro rata from the date of put to use or up to the date of sale/disposal, as the case may be.

Depreciation is not calculated on capital work in progress until construction or installation is completed and the asset is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of assets are reviewed by the management at each financial year end & revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised useful life of asset

32.7 Intangible assets and amortization

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its Intangible assets which consist of computer software is amortised over a period of three years.

32.8 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer based on delivery terms i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant control of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

However, GST is not received by the Company on its own account. Accordingly, it is excluded from revenue.

Other income

Other income comprises of interest income, dividend income, foreign currency gain on financial assets and liabilities and export benefits.

Dividend income is recognised when the Company's right to receive the payment is established, which is in the year when shareholders approve the dividend.

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method. Export benefits in the form of Duty Draw Back claims are recognised in the statement of profit and loss on the date that the Company's right to receive payment is established. The company presents interest income on financial assets at Fair Value through Profit & Loss separately from fair value changes on financial assets.

Income from services

Income from services is generally recognized on completion of performance of determinable significant act as per terms of specific contracts when no significant uncertainty exists regarding the amount of consideration that will be derived from the completion of said act.

32.9 Finance costs

Finance costs comprises of interest expense on borrowings, and foreign currency loss on financial assets and liabilities. Interest expenditure is recognised as it accrues in the statement of profit and loss, using the effective interest method.

32.10 Foreign currencies transactions

The financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

32.11 Employee Benefits Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services, cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-Employment Benefits

Defined Contribution Plans

The Company's state governed provident fund scheme related and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Long Term Employee Benefit

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

32.12 Income Taxes Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

32.13 Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent assets are neither recognized, nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

32.14 Leases:

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. A lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition it was in at the commencement of the lease, unless those costs are incurred to produce inventories.

The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability:

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments (including in substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement

Right to use asset

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any Accumulated impairment losses.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and

- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

32.15 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as impairment loss and recognized in profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

32.16 Fair value measurement

The Company measures financial instruments such as Investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability OR
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

32.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- 1) amortised cost
- 2) fair value through other comprehensive income (FVTOCI)
- 3) fair value through profit or loss (FVTPL)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- 1) Financial assets measured at amortised cost
- 2) Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Company.
- 3) Trade receivables

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.

Financial Liabilities

Initial recognition and measurement

The company initially recognises loans and advances and deposits on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Instruments –

Company uses derivative contracts to hedge its exposure against movements in foreign exchange rates. The use of derivative contracts is intended to reduce the risk or cost to the company. Derivative contracts are not used for trading or speculation purpose.

All derivatives are measured at fair value through the profit or loss unless they form part of a qualifying cash flow hedge, in which case the fair value is taken to reserves and released into the statement of profit and loss at the same time as the risks on the hedged instrument are recognised therein. Any hedge ineffectiveness will result in the relevant proportion of the fair value remaining in the statement of

profit and loss. Fair values are derived primarily from discounted cash-flow models, option-pricing models and from third-party quotes. Derivatives are carried as assets when their fair values are positive and as liabilities when their fair values are negative. All hedging activity is explicitly identified and documented by the company.

32.18 Earnings per share

Basic earnings per share are 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 as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

32.19 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(Rs. In Lakhs)

| | Particulars | 31 March 2022 | 31 March 2021 |
|------------------|---------------------------------------------------------------------------|---------------|---------------|
| Note : 33 | Contingent liabilities | | |
| | Other money for which the company is contingently liable for | | |
| | i) Excise & Service Tax | 12.20 | 12.34 |
| | [Amount paid under protest Rs. 12.20 Lacs (Previous Year Rs. 12.20 Lacs)] | | |
| | ii) Goods & Service Tax | 534.12 | - |
| | [Amount paid under protest Rs. 26.90 Lacs. (Previous Year Nil)] | | |

(Rs. In Lakhs)

| Note : 34 | Commitments | | |
|------------------|--------------------------------------------------------------------------------------------------------------------------|----------|----------|
| a) | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 323.42 | 875.41 |
| (b) | Other Commitments | | |
| | i) EPCG License towards duty saved and interest thereon (Refer Note A below) | 404.17 | 401.89 |
| | ii) PSI Scheme 2007 towards exemption of stamp duty on mortgage (Refer Note B below) | 17.89 | 16.88 |
| | iii) PSI Scheme 2007 towards exemption of Electricity duty for a period of 15 years (Refer Note B below) | 1,602.66 | 1,245.51 |
| | | 2,348.14 | 2,539.69 |

Note A : EPCG License towards duty saved and interest thereon

- i Authorisation Holder shall be under obligation to export items as per details mentioned in this Authorisation. The Export Obligation shall be 6 times of the duty saved on import of Capital Goods on FOB basis within a period of 6years (Block Years: 1st to 4th year (1st Block) - 50% and 5th to 6th year (2nd Block)- 50%) and shall be reckoned from the date of issue of this Authorisation.
- ii Authorization Holder shall also be required to maintain the past average level of exports [achieved by the EPCG applicant in the preceding three licensing years] for the same and similar products, as endorsed on this Authorisation for the entire export obligation period, including extended period, if any. This annual average ExportObligation is in addition to the FOB value of exports mentioned in Para 8 above.

Note : 35 Employee Benefits :**i. Defined Contribution Plans:**

Amount of Rs.50.65 Lakhs in F.Y: 2021-22 (Rs.48.48 lakhs in F.Y: 2020-21) is recognised as an expense and included in Employees benefits expense (Note-24 in the Statement of Profit and Loss.)

ii. Defined Benefit Plans:**a) The amounts recognised in Balance Sheet are as follows: Funded Plan****(Rs. In Lakhs)**

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|----|------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| A. | Amount to be recognised in Balance Sheet | | |
| | Present Value of Defined Benefit Obligation at the end of period | 185.19 | 123.93 |
| | Less: Fair Value of Plan Assets at the end of period | 157.02 | 123.75 |
| | Amount to be recognised as liability or (asset) | 28.17 | 0.19 |
| B. | Amounts reflected in the Balance Sheet | | |
| | Provisions | 185.19 | 123.93 |
| | Current asset | 157.02 | 123.75 |
| | Net Liability/(Asset) (Refer Note 19) | 28.17 | 0.19 |

b) the amounts recognised in the Statement of Profit and Loss are as follows: Funded Plan**(Rs. In Lakhs)**

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|---|----------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| 1 | Current Service Cost | 18.55 | 16.29 |
| 2 | Acquisition (gain)/ loss | - | - |
| 3 | Past Service Cost | - | - |
| 4 | Net Interest (income)/expenses | (0.88) | (0.99) |
| 5 | Actuarial Losses/(Gains) | - | - |
| 6 | Curtailement (Gain)/ loss | - | - |
| 7 | Settlement (Gain)/loss | - | - |
| 8 | Others | - | - |
| | Net periodic benefit cost recognised in the statement of profit & loss (refer note 24) | 17.67 | 15.30 |

c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan**(Rs. In Lakhs)**

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|---|---------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| 1 | Opening amount recognised in OCI outside profit and loss account | 15.77 | - |
| 2 | Remeasurements for the year - Obligation (Gain)/loss | 37.78 | 15.42 |
| 3 | Remeasurement for the year - Plan assets (Gain) / Loss | (0.12) | 0.35 |
| 4 | Total Remeasurements Cost / (Credit) for the year recognised in OCI | 53.44 | 15.77 |
| 5 | Less: Accumulated balances transferred to retained earnings | - | - |

| | | | |
|---|--------------------------------------------------------------------------------------|-------|-------|
| 4 | Total Remeasurements Cost / (Credit) for the year recognised in OCI (refer note 28) | 37.67 | 15.77 |
| | Closing balances (remeasurement (gain)/loss recognised OCI) | 53.44 | 15.77 |

d) **The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Funded Plan**

(Rs. In Lakhs)

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|----|------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| 1 | Balance of the present value of Defined benefit Obligation at the beginning period | 123.93 | 89.44 |
| 2 | Acquisition adjustment | - | - |
| 3 | Transfer in/ (out) | - | - |
| 4 | Interest expenses | 7.84 | 5.97 |
| 5 | Past Service Cost | - | - |
| 6 | Current Service Cost | 18.55 | 16.29 |
| 7 | Curtailement Cost / (credit) | - | - |
| 8 | Settlement Cost/ (credit) | - | - |
| 9 | Benefits paid | (2.92) | (3.19) |
| 10 | Remeasurements on obligation - (Gain) / Loss | 37.78 | 15 |
| | Present value of obligation as at the end of the period | 185.19 | 123.93 |

e) **Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: Funded Plan**

(Rs. In Lakhs)

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|----|---------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| 1 | Fair value of the plan assets as at beginning of the period | 127.28 | 86.84 |
| 2 | Acquition adjustment | - | - |
| 3 | Transfer in/(out) | - | - |
| 4 | Interest income | 8.72 | 6.96 |
| 5 | Contributions | 28.00 | 34.19 |
| 6 | Benefits paid | (0.00) | (0.00) |
| 7 | Amount paid on settlement | - | - |
| 8 | Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | 0.12 | (0.00) |
| 9 | Mortality Charges and Taxes | (0.65) | (0.71) |
| 10 | Fair value of plan assets as at the end of the period | 163.47 | 127.28 |

f) **Net interest (Income) /expenses: Funded Plan:**

(Rs. In Lakhs)

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|---|----------------------------------------------|--------------------------------------------|--------------------------------------------|
| 1 | Interest (Income) / Expense – Obligation | 7.84 | 5.97 |
| 2 | Interest (Income) / Expense – Plan assets | (8.72) | (6.96) |
| 3 | Net Interest (Income) / Expense for the year | (0.88) | (0.99) |

g) Remeasurement for the year (Actuarial Gain/Loss)

(Rs. In Lakhs)

| | Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|--|---------------------------------------------|--------------------------------------------|--------------------------------------------|
| | Experience(Gain)/Loss on plan liabilities | (3.01) | 11.37 |
| | Demographic (Gain)/Loss on plan liabilities | 9.59 | - |
| | Financial (Gain)/Loss on plan liabilities | 31.21 | 4.05 |
| | Experience(Gain)/Loss on plan assets | (0.66) | 0.04 |
| | Financial (Gain)/Loss on plan assets | 0.55 | 0.31 |

h) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:

(Rs. In Lakhs)

| | Particulars | Percentage 2021-22 | Percentage 2020-21 |
|---|-----------------------------------|-----------------------|-----------------------|
| 1 | Government Securities | 0.00% | 0.00% |
| 2 | High quality Corporate Bonds | 0.00% | 0.00% |
| 3 | Equity Shares of Listed companies | 0.00% | 0.00% |
| 4 | Property | 0.00% | 0.00% |
| 5 | Special Deposit Scheme | 0.00% | 0.00% |
| 6 | Funds managed by insurer | 100.00% | 100.00% |
| 7 | Others | 0.00% | 0.00% |
| | Grand Total | 100% | 100% |

Basis used to determine the overall expected return

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 6.40% in F.Y: 2021-22 (6.80% in F.Y: 2020-21) has been used for the valuation purpose.

i) The amounts pertaining to defined benefit plans are as follows: **Funded Plan**

(Rs. In Lakhs)

| Particulars | 31 March 2022 Gratuity Plan (Funded) | 31 March 2021 Gratuity Plan (Funded) |
|----------------------------|--------------------------------------------|--------------------------------------------|
| Defined Benefit Obligation | 185.19 | 123.93 |
| Plan Assets | 157.02 | 123.75 |
| (Surplus)/Deficit | 28.17 | 0.19 |

Significant estimates:

j) **Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**

- Discount rate as at 31-03-2022- 7.10% (6.40% in F.Y: 2020-21)
- Expected return on plan assets as at 31-03-2022 - 6.40% (6.80% in F.Y: 2020-21)
- Salary growth rate as at 31-03-2022: 7.00% (3.00% in F.Y: 2020-21)
- Attrition rate as at 31-03-2022: 10.62% (9.87% in F.Y: 2020-21)
- The estimates of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) **General descriptions of defined plans:**

1 **Gratuity Plan:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

2 **Company's Pension Plan:**

The company operates a Pension Scheme for specified ex-employees through a Employees family pension Scheme of 1971 notified by government. Wherein the beneficiaries are entitled to defined monthly pension.

- l) The Company has contributed Rs. 28 Lakhs to its gratuity fund in 2021-2022. The Company intends to fund Rs.28 Lakhs towards its gratuity plan in the year 2022-23.

m) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the out come of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

| | Change in assumption | Effect on Gratuity obligation As at 31 March 2022 | Effect on Gratuity obligation As at 31 March 2021 |
|---|-----------------------------|------------------------------------------------------|------------------------------------------------------|
| 1 | Discount rate | | |
| | Increase by 1% to 8.10% | 168.93 | 114.20 |
| | Decrease by 1% to 6.10% | 204.15 | 135.12 |
| 2 | Salary increase rate | | |
| | Increase by 1% to 8.0% | 202.09 | 134.11 |
| | Decrease by 1% to 6.0% | 170.36 | 114.91 |
| 3 | Withdrawal rate | | |
| | Increase by 1% to 9.0% | 140.46 | 126.68 |
| | Decrease by 1% to 7.0% | 251.13 | 122.86 |

Average Duration:

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 4.40 years.

Expected Future Benefit Payments:

The following benefits payments for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| Year Ending March 31 | Expected Benefit Payment rounded to nearest Lakhs |
|----------------------|---------------------------------------------------|
| 2023 | 7.47 |
| 2024 | 7.06 |
| 2025 | 9.00 |
| 2026 | 68.99 |
| 2027 | 11.40 |
| 2028-2032 | 154.60 |

The above cashflows have been arrived at based on the demographic and financial assumptions mentioned above in point j.

Risk Exposure:

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risk

- Asset liability Mismatch Risk
- Discount Rate Risk
- Future Salary Escalation and Inflation Risk

2. Asset Risk

All plan assets are maintained in a trust fund managed by a public sector insurer viz; Life Insurance Corporation of India.

Note 36: Related party disclosures:

A. Names of the related party and nature of relationship where control exists:

There are no parties where control exists.

B. Names of the related party and nature of relationship:

| Sr. No. | Name of the related party | Nature of relationship |
|---------|---------------------------|-----------------------------------------|
| 1 | S.B. Reshellers Pvt. Ltd. | Enterprise having significant influence |

C. Names of the related parties with whom transactions have been entered into:

| Sr. No. | Name of the related party | Nature of relationship |
|------------|--------------------------------------------------------------------------------------------------|------------------------------------------------|
| I | Key Management Personnel | |
| 1 | Shri Sachin Rajendra Shirgaokar | Chairman & Managing Director (CMD) |
| 2 | Shri Sohan Sanjeev Shirgaokar | Joint Managing Director (Jt.MD) |
| 3 | Shri V. S. Reddy | Executive Director (Technical) |
| 4 | Shri. Rajendra Vinayak Shirgaokar | Chairman (Till 09-02-2021) |
| 5 | Shri Shishir Suresh Shirgaokar | Non Executive Director |
| 6 | Shri. Chandan Sanjeev Shirgaokar | Non Executive Director |
| 7 | Shri Suhas Bhalchandra Kulkarni | Chief Financial Officer |
| 8 | Shri Nilesh Mohan Mankar | Company Secretary |
| | | |
| II | Relative of Key Management Personnel | |
| 1 | Sou. Laxmi Sachin Shirgaokar | Wife of CMD |
| 2 | Smt.Radhika Sanjeev Shirgaokar | Mother of Jt.MD |
| 3 | Ms. Shreya Sachin Shirgaokar | Daughter of CMD |
| 4 | Ms. Priya Sachin Shirgaokar | Daughter of CMD |
| | | |
| III | Enterprises over which KMP or Relatives of KMP are able to Exercise significant influence | |
| 1 | V. S. Shirgaokar Enterprises LLP | CMD, Spouse of CMD, Father of CMD are Partners |
| 2 | D. M. Shirgaokar Enterprises LLP | CMD, Jt. MD are Partners |
| 3 | Suresh Shirgaokar Enterprises LLP | Brother of Jt. MD & Father of CMD are Partners |
| 4 | The Ugar Sugar Works Ltd. | Brother of Jt. MD is MD |
| 5 | Tara Tiles Pvt. Ltd. | CMD, Jt. MD are Directors |
| 6 | Shishir Shirgaokar Enterprise LLP | Jt. MD is Partner |

D. Disclosure of related parties transactions:

| Sr No | Nature of transaction/relationship/ major parties | 2021-22 | | 2020-21 | |
|-------|---------------------------------------------------|---------|--------------------------|---------|--------------------------|
| | | Amount | Amount for Major parties | Amount | Amount for Major parties |
| 1 | Purchase of goods | 352.09 | | 592.64 | |
| | S. B. Reshellers Pvt. Ltd. | | 350.99 | | 591.46 |
| | The Ugar Sugar Works Limited | | 1.10 | | 1.18 |
| 2 | Labour Charges Paid | 9.40 | | 9.30 | |
| | S. B. Reshellers Pvt. Ltd. | | 9.40 | | 9.30 |
| 3 | Office Rent Paid | 2.52 | | 2.40 | |
| | S. B. Reshellers Pvt. Ltd. | | 2.52 | | 2.40 |
| 4 | Purchase of Fixed Assets | 244.79 | | 70.62 | |
| | S. B. Reshellers Pvt. Ltd. | | 244.79 | | 66.98 |
| | Tara Tiles Pvt. Ltd. | | - | | 3.64 |
| 5 | Revenue from contracts with Customers | | | 0.49 | |
| | S. B. Reshellers Pvt. Ltd. | | | | 0.49 |
| 6 | Receiving Services | | | 1.63 | |
| | S. B. Reshellers Pvt. Ltd. | | | | 1.63 |
| 7 | Interest Payment | 39.57 | | 46.42 | |
| | Ms. Shreya S. Shirgaokar | | 6.60 | | 6.60 |
| | Mrs. Laxmi S. Shirgaokar | | 7.23 | | 6.40 |
| | Ms. Priya S. Shirgaokar | | 0.71 | | 0.60 |
| | Shri Shishir Shirgaokar | | 5.95 | | 6.00 |

| | | | | | |
|----|-----------------------------------------------------|----------|----------|----------|----------|
| | D M Shirgaokar Enterprises LLP | | 0.46 | | 6.40 |
| | Shishir Shirgaokar Enterprises LLP | | 3.19 | | 3.44 |
| | Suresh Shirgaokar Enterprises LLP | | 7.21 | | 7.95 |
| | V S Shirgaokar Enterprises LLP | | 8.23 | | 9.04 |
| 8 | Repayment of Deposit | 192.93 | | 222.21 | |
| | Mrs. Laxmi S. Shirgaokar | | 65.00 | | |
| | Shri Shishir Shirgaokar | | 10.00 | | |
| | D M Shirgaokar Enterprises LLP | | 1.25 | | 180.00 |
| | Shishir Shirgaokar Enterprises LLP | | 26.00 | | 25.91 |
| | V S Shirgaokar Enterprises LLP | | 74.98 | | 10.00 |
| | Suresh Shirgaokar Enterprises LLP | | 15.70 | | 6.30 |
| 9 | Acceptance of Deposit | 208.00 | - | 132.00 | - |
| | Mrs. Laxmi S. Shirgaokar | | 66.00 | | 10.00 |
| | Ms Priya S Shirgaokar | | 5.00 | | - |
| | Shri Shishir Shirgaokar | | 10.00 | | - |
| | D M Shirgaokar Enterprises LLP | | 20.00 | | 90.00 |
| | Shishir Shirgaokar Enterprises LLP | | 26.00 | | 26.00 |
| | V S Shirgaokar Enterprises LLP | | 75.00 | | - |
| | Suresh Shirgaokar Enterprises LLP | | 6.00 | | 6.00 |
| | | | - | | - |
| 10 | Payment to Key Management Personnel | 287.07 | | 269.20 | |
| | Short Term employee benefit | | | | |
| | Shri Sachin R. Shirgaokar | | 85.91 | | 81.87 |
| | Shri Sohan S. Shirgaokar | | 85.91 | | 81.87 |
| | Shri V. S. Reddy | | 79.74 | | 73.27 |
| | Suhas Kulkarni | | 20.07 | | 17.80 |
| | Nilesh Mankar | | 8.90 | | 7.43 |
| | Post-employment benefits** | | | | |
| | Shri V. S. Reddy | | 4.95 | | 4.80 |
| | Suhas Kulkarni | | 0.57 | | 0.53 |
| | Nilesh Mankar | | 0.31 | | 0.28 |
| | | | | | - |
| | Sitting Fees | | | | - |
| | Shri Rajendra V. Shirgaokar | | | | 0.45 |
| 11 | Shri Chandan S. Shirgaokar | 8,002.00 | 0.40 | 8,002.00 | 0.60 |
| | Shri Shishir Shirgaokar | | 0.30 | | 0.30 |
| | Corporate/ Personal Guarantee in Company's favour * | | | | - |
| | S. B. Reshellers Pvt. Ltd. | | 8,002.00 | | 8,002.00 |

* Jointly & Severally

** As post employment obligations are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above.

E. Amount due to/from related parties:

| Sr No | Nature of transaction/relationship/major parties | 2021-22 | | 2020-21 | |
|-------|--------------------------------------------------|---------|--------------------------|---------|--------------------------|
| | | Amount | Amount for Major parties | Amount | Amount for Major parties |
| 1 | Accounts receivable | | | | |
| | (on account of sale of goods and services) | | | | |
| | TOTAL | | | | |
| | | - | | - | |
| 2 | Amount Due | | | | |
| | S. B. Reshellers Pvt. Ltd. | | 753.64 | | 748.77 |
| | The Ugar Sugar Works Limited | | 475.00 | | 475.00 |
| | Mrs. Laxmi S. Shirgaokar | | 66.00 | | 65.00 |

| | | | | | |
|--|------------------------------------|--|-------|--|-------|
| | Ms. Shreya S. Shirgaokar | | 55.00 | | 55.00 |
| | Ms. Priya S. Shirgaokar | | 10.00 | | 5.00 |
| | Shishir Shirgaokar | | 50.00 | | - |
| | D M Shirgaokar Enterprises LLP | | 20.00 | | 1.25 |
| | V S Shirgaokar Enterprises LLP | | 75.00 | | 74.98 |
| | Shishir Shirgaokar Enterprises LLP | | 29.00 | | 29.00 |
| | Suresh Shirgaokar Enterprises LLP | | 56.32 | | 66.02 |
| | Shri Sachin R. Shirgaokar | | 6.22 | | 6.22 |
| | Shri Sohan S. Shirgaokar | | 6.22 | | 6.22 |
| | Shri V. S. Reddy | | 5.46 | | 5.46 |
| | Suhas Kulkarni | | 1.66 | | 1.60 |
| | Nilesh Mankar | | 0.74 | | 0.71 |
| | TOTAL | | | | |

All outstanding balances are unsecured and to be settled in cash.

Note 37 : Fair Value of financial assets and liabilities:

a) Set out below, is the fair value of the company's financial instruments that are recognized in the financial statements:

(Rs. In Lakhs)

| Sr. No | Particulars | Carrying Value | | |
|--------|-----------------------------|----------------------|----------------------|---------------------|
| | | As at March 31, 2022 | As at March 31, 2021 | As at April 1, 2020 |
| | Financial Assets | | | |
| a) | Carried at amortized cost | | | |
| | Other financial assets | 350.42 | 672.34 | 271.01 |
| | Trade receivables | 3,236.81 | 2,884.70 | 1,671.43 |
| | Cash and cash equivalents | 8.62 | 215.91 | 209.97 |
| | Bank balances | 334.98 | 652.83 | 250.50 |
| | | 3,930.83 | 4,425.79 | 2,402.91 |
| b) | Carried at FVTPL | | | |
| | Other financial liabilities | 7.43 | - | - |
| | | 7.43 | - | - |
| | Financial Liabilities | | | |
| a) | Carried at amortized cost | | | |
| | Long Term Borrowings | 4,321.16 | 3,898.35 | 3,565.00 |
| | Other financial liabilities | 904.54 | 844.64 | 739.15 |
| | Short Term Borrowings | 3,919.07 | 3,689.09 | 2,329.76 |
| | Trade and other payables | 6,475.69 | 5,650.51 | 4,886.60 |
| | | 15,620.46 | 14,082.58 | 11,520.51 |

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of financial assets and liabilities measured at amortised cost are a reasonable approximation of their fair values.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is given in Note 32.17 of Significant Accounting Policies.

b) Financial assets and liabilities for which fair value is disclosed:

| Particulars | Level 1 | Level 2 | Level 3 |
|-------------------------------------|---------|---------|---------|
| Other financial liabilities - FVTPL | | | |
| March 31, 2022 | - | - | 7.43 |
| March 31, 2021 | - | - | - |
| March 31, 2020 | - | - | - |

37 A. Financial risk management policy and objectives:

Company's principal financial liabilities, comprise borrowings, trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance company's operations. Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents and other bank balances that are derived directly from its operations.

Company is exposed to certain risks which includes market risk, credit risk and liquidity risk.

Risk Management committee of the company oversees the management of these risks. This committee is accountable to audit committee of the board. This process provides assurance to the company's senior management that company's financial risk-taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite. The policies for managing these risks are summarised below."

1) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, foreign exchange transactions and other financial instruments. Company uses expected credit loss model for assessing and providing for credit risk."

a) Trade receivable:

Customer credit risk is managed through the company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Trade receivables are non interest bearing and are generally on, 30 days to 120 days credit terms. The company has concentration of risk as customer base is not widely distributed, almost 90% of total revenue is contributed by top six customers both economically and geographically.

- i) Ageing analysis of trade receivable as on reporting date Refer note 5
- ii) Impairment of financial assets: Expected credit loss

| Particulars | March 31, 2022 | March 31, 2021 |
|----------------------------------------------------------|----------------|----------------|
| Gross carrying amount | 3,324.26 | 2,893.45 |
| Expected loss rate | 2.63% | 0.30% |
| Expected credit losses (loss allowance provision) | (87.45) | (8.75) |
| Carrying amount of trade receivables (net of impairment) | 3,236.81 | 2,884.70 |

b) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the company's CFO in accordance with company's policy. Investments of surplus funds are made only in fixed deposits and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount.

2) Liquidity risk:

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

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

| Particulars | On Demand | "Less than 1 year" | More than 1 year | Total |
|--------------------------|-----------|--------------------|------------------|----------|
| a) Trade Payables | | | | |
| March 31, 2022 | - | 6,475.69 | - | 6,475.69 |
| March 31, 2021 | - | 5,650.51 | - | 5,650.51 |
| April 1, 2020 | - | 4,886.60 | - | 4,886.60 |

| | | | | |
|---------------------------------------|----------|----------|----------|----------|
| b) Borrowings | | | | |
| March 31, 2022 | 1,761.42 | 2,157.65 | 4,321.16 | 8,240.23 |
| March 31, 2021 | 2,273.67 | 1,415.42 | 3,898.35 | 7,587.43 |
| March 31, 2020 | 1,791.21 | 538.55 | 3,565.00 | 5,894.77 |
| | | | | |
| c) Other Financial Liabilities | | | | |
| March 31, 2022 | - | 583.12 | 321.42 | 904.54 |
| March 31, 2021 | - | 630.34 | 214.32 | 844.66 |
| March 31, 2020 | - | 631.94 | 107.22 | 739.16 |

The company has access to following undrawn facilities at the end of the reporting period:

| | Floating Rate | |
|----------------|---------------------------|------------------------|
| | Expiring within 1 Year | Expiring beyond 1 Year |
| March 31, 2022 | 2% above BRLLR + SP | - |
| March 31, 2021 | 3% above 1 year MCLR + SP | - |
| March 31, 2020 | 3% above 1 year MCLR + SP | - |

3) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk – interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Foreign Currency Exposure Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense, assets & liabilities is denominated in a foreign currency).

The company manages its foreign currency risk by mapping receive bale against payables in order to minimize currency fluctuation impact.

Foreign currency exposure :

(Rs. In Lakhs)

| Financial Assets | Currency | Amount in Foreign Currency in Lakhs | | | Amount in INR in Lakhs | | |
|-------------------|----------|-------------------------------------|-----------------|----------------|------------------------|-----------------|----------------|
| | | 31st March 2022 | 31st March 2021 | 1st April 2020 | 31st March 2022 | 31st March 2021 | 1st April 2020 |
| Trade Receivables | EUR | - | (0.08) | (0.19) | - | (7.19) | (16.12) |
| | USD | 0.86 | 6.20 | 3.03 | 65.01 | 453.57 | 229.09 |
| | GBP | 1.67 | 0.86 | 0.34 | 165.65 | 86.96 | 31.92 |

(Rs. In Lakhs)

| Financial Assets | Currency | Amount in Foreign Currency in Lakhs | | | Amount in INR in Lakhs | | |
|------------------|----------|-------------------------------------|-----------------|----------------|------------------------|-----------------|----------------|
| | | 31st March 2022 | 31st March 2021 | 1st April 2020 | 31st March 2022 | 31st March 2021 | 1st April 2020 |
| Factoring loan | USD | 0.69 | 3.52 | - | 52.67 | 257.07 | - |
| | GBP | 0.21 | - | - | 21.03 | - | - |

(Rs. In Lakhs)

| Financial Liabilities | Currency | Amount in Foreign Currency in Lakhs | | | Amount in INR in Lakhs | | |
|-----------------------|----------|-------------------------------------|-----------------|----------------|------------------------|-----------------|----------------|
| | | 31st March 2022 | 31st March 2021 | 1st April 2020 | 31st March 2022 | 31st March 2021 | 1st April 2020 |
| Term loan | USD | 11.93 | 6.74 | - | 904.07 | 492.80 | - |
| PCFC | USD | 3.64 | - | - | 276.06 | - | - |

(Rs. In Lakhs)

| Financial Liabilities | Currency | Amount in Foreign Currency in Lakhs | | | Amount in INR in Lakhs | | |
|-----------------------|----------|-------------------------------------|-----------------|----------------|------------------------|-----------------|----------------|
| | | 31st March 2022 | 31st March 2021 | 1st April 2020 | 31st March 2022 | 31st March 2021 | 1st April 2020 |
| Trade payable | USD | 5.24 | 2.16 | 2.43 | 397.30 | 158.00 | 184.14 |
| | EUR | 0.38 | 0.13 | 0.05 | 32.31 | 10.92 | 4.53 |
| | GBP | - | - | 0.00 | - | 0.02 | 0.08 |

Currency wise net exposure (assets - liabilities):

(Rs. In Lakhs)

| Particulars | Amount in Foreign Currency in Lakhs | | | Amount in INR in Lakhs | | |
|-------------|-------------------------------------|-----------------|----------------|------------------------|-----------------|----------------|
| | 31st March 2022 | 31st March 2021 | 1st April 2020 | 31st March 2022 | 31st March 2021 | 1st April 2020 |
| EUR | (0.38) | (0.21) | (0.25) | (32.31) | (18.11) | (20.64) |
| USD | (19.26) | 0.82 | 0.59 | (1,459.75) | 59.84 | 44.95 |
| GBP | 1.88 | 0.86 | 0.34 | 186.68 | 86.94 | 31.84 |

Sensitivity Analysis:

(Rs. In Lakhs)

| Currency | Amount in Foreign Currency in Lakhs | | | Sensitivity % | | |
|----------|-------------------------------------|---------|---------|---------------|---------|---------|
| | 2021-22 | 2020-21 | 2019-20 | 2021-22 | 2020-21 | 2019-20 |
| EUR | (32.31) | (18.11) | (20.64) | -1.78% | 3.60% | 6.56% |
| USD | (1,459.75) | 59.84 | 44.95 | 3.67% | -3.38% | 9.41% |
| GBP | 186.68 | 86.94 | 31.84 | -1.29% | 7.75% | 3.29% |
| Total | (1,305.38) | 128.67 | 56.15 | 0.60% | 7.98% | 19.27% |

(Rs. In Lakhs)

| Currency | Impact on profit (strengthen) | | | Impact on profit (weakening) | | |
|----------|-------------------------------|---------|---------|------------------------------|---------|---------|
| | 2021-22 | 2020-21 | 2019-20 | 2021-22 | 2020-21 | 2019-20 |
| EUR | 0.576 | (0.652) | (1.355) | (0.576) | 0.652 | 1.355 |
| USD | (53.560) | (2.021) | 4.232 | 53.560 | 2.021 | (4.232) |
| GBP | (2.404) | 6.741 | 1.047 | 2.404 | (6.741) | (1.047) |
| Total | (55.388) | 4.068 | 3.924 | 55.388 | (4.068) | (3.924) |

GBP - Great Britain Pound

EUR - Euro

USD - United States Dollar

Note 37 B: Impairment of financial assets: Expected credit loss**Provision for expected credit loss**

| Internal rating | Category | Description of category | Basis of recording expected credit loss | |
|-----------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------|
| | | | Loans and deposits | Trade receivables |
| A | High quality asset, negligible credit risk | Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil. | 12 months expected credit losses | Life- time expected credit losses - simplified approach |
| B | Standard asset, moderate credit risk | Assets where there is moderate risk of default and where there has been low frequency of defaults in past. | | |
| C | Low quality asset, High credit risk | Assets where there is high probability of default. In general, assets where contractual payments are more than year past due are categorised as low quality asset. Also includes where credit risk of | Life- time expected credit losses | |

| | | | | |
|---|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--|
| | | counter party has increased significantly through payments may not be more than a year past due. | | |
| D | Doubtful asset- credit impaired | Assets are written off, when there is no reasonable expectations of recovery. Where loans and receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | |

As at 31 March 2022:

1) Expected credit loss for loans, security deposits and investments:

| Particulars | | Asset group | Internal rating | Estimated gross carrying amount of default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------|-----------------|--------------------------------------------|---------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit losses | Financial assets for which credit risk has not increased significantly from inception | Loans & Security Deposits | A | - | - | - | - |
| | | Other Financial Assets | A | 350.42 | - | - | 350.42 |
| Loss allowance measured at life time expected credit losses | Financial assets for which credit risk has increased significantly and not credit impaired | | - | - | - | - | - |
| | Financial assets for which credit risk has increased significantly and credit impaired | | - | - | - | - | - |

2) Expected credit loss for trade receivables under simplified approach:

| Particulars | Not due | Past due but not impaired | | Total |
|---------------------------------------------------------|----------|---------------------------|------------------|----------|
| | | Less than 1 year | More than 1 year | |
| Gross carrying amount | 2,844.45 | 321.47 | 158.33 | 3,324.26 |
| Expected loss rate | 0.00% | 0.00% | 55.23% | 2.63% |
| Expected credit losses (Loss allowance provision) | - | - | 87.45 | 87.45 |
| Carrying amount of trade receivable (Net of impairment) | 2,844.45 | 321.47 | 70.88 | 3,236.81 |

As at 31 March 2021

1) Expected credit loss for loans, security deposits and investments:

| Particulars | | Asset group | Internal rating | Estimated gross carrying amount of default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|------------------------------------------------------|----------------------------------------------------------|---------------------------|-----------------|--------------------------------------------|---------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit | Financial assets for which credit risk has not increased | Loans & Security Deposits | A | | | | - |
| | | Other Financial | A | 672.34 | | | 672.34 |

| losses | significantly from inception | Assets | | | | | |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------|---|---|---|---|---|
| Loss allowance measured at life time expected credit losses | Financial assets for which credit risk has increased significantly and not credit impaired | 0 | - | - | - | - | - |
| | Financial assets for which credit risk has increased significantly and credit impaired | | - | - | - | - | - |

2) Expected credit loss for trade receivables under simplified approach:

| Particulars | Not due | Past due but not impaired | | Total |
|--------------------------------------------------------|----------|---------------------------|------------------|----------|
| | | Less than 1 year | More than 1 year | |
| Gross carrying amount | 2,542.93 | 341.77 | 87.45 | 2,972.15 |
| Expected loss rate | 0.00% | 0.00% | 10.00% | 0.29% |
| Expected credit losses (Loss allowance provision) | - | | 8.75 | 8.75 |
| Carrying amount of trade receivable(Net of impairment) | 2,542.93 | 341.77 | 78.71 | 2,963.41 |

As at 1 April 2020

1) Expected credit loss for loans, security deposits and investments:

| Particulars | | Asset group | Internal rating | Estimated gross carrying amount of default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------|-----------------|--------------------------------------------|---------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit losses | Financial assets for which credit risk has not increased significantly from inception | Loans & Security Deposits | A | - | - | - | - |
| | | Other Financial Assets | A | 271.01 | - | - | 271.01 |
| Loss allowance measured at life time expected credit losses | Financial assets for which credit risk has increased significantly and not credit impaired | 0 | - | - | - | - | - |
| | Financial assets for which credit risk has increased significantly and credit impaired | | - | - | - | - | - |

2) Expected credit loss for trade receivables under simplified approach:

(Rs. In Lakhs)

| Particulars | Not due | Past due but not impaired | | Total |
|---------------------------------------------------------|----------|---------------------------|------------------|----------|
| | | Less than 1 year | More than 1 year | |
| Gross carrying amount | 2,844.45 | 321.47 | 158.33 | 3,324.26 |
| Expected loss rate | 0.00% | 0.00% | 55.23% | 2.63% |
| Expected credit losses (Loss allowance provision) | - | - | 87.45 | 87.45 |
| Carrying amount of trade receivable (Net of impairment) | 2,844.45 | 321.47 | 70.88 | 3,236.81 |

Note 38: Capital management

(a) Risk management:

The company's objective when managing capital are to

-safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

-Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following Gearing ratio: Net debt (Total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

(Rs. In Lakhs)

| Particulars | 31 March 2022 | 31 March 2021 |
|---------------------------------|---------------|---------------|
| Loans and borrowings | 8,240.23 | 7,587.43 |
| Less: Cash and cash equivalents | 8.62 | 215.91 |
| Net debt | 8,240.23 | 7,371.52 |
| Equity | 3,416.38 | 3,301.76 |
| Capital and net debt | 11,656.61 | 10,673.28 |
| Gearing ratio | 2.41 | 2.23 |

(b) Dividend

Since the year end directors have recommended payment of final dividend of Rs. 1/- per fully paid equity shares (31 March, 2016 Rs. Nil).

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. This dividend is not recognised in the books of accounts at the end of the reporting period.

(Rs. in Lakhs)

| Particulars | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------------------------------------------------------------|---------------|---------------|
| (i) Equity Shares | 141.30 | 141.30 |
| Final dividend for the year ended 31 March 2022 is INR Nil (31 March 2021 INR Nil) per fully paid share | NIL | NIL |
| Interim dividend for the year ended 31 March 2022 is INR Nil (31 March 2021 INR Nil) per fully paid share | NIL | NIL |
| (ii) Dividends not recognised at the end of the reporting period | NIL | NIL |

Post the year end, directors have not recommended any dividend (31 March 2021 INR Nil).

Note 39: Ratios

| | Particulars | Numerator | Denominator | Ratios | Days | Numerator | Denominator | Ratios | Days | Variance (%) | Reason for Variance for more than 25% |
|----|-----------------------------------------------------------------------------------------|-----------|-------------|--------|------|-----------|-------------|--------|------|--------------|-------------------------------------------------------------------------------------------|
| 1 | Current Ratio [Current assets / current Liability] | 10,851.58 | 11,254.96 | 0.96 | | 10,278.42 | 10,070.43 | 1.02 | | -5.54 | |
| 2 | Debt-Equity Ratio [Debt/Equity] | 8,240.23 | 3,416.38 | 2.41 | | 7,587.43 | 3,301.76 | 2.30 | | 0.00 | |
| 3 | Debt Service Coverage Ratio [PBFCDT/Interest+Interest Due + Principal repayment] | 2,520.32 | 1,039.14 | 2.43 | | 2,519.42 | 975.35 | 2.58 | | -6.11 | |
| 4 | Return on Equity Ratio [(PAT)/(Total op. Equity+Total cl. Equity)/2] | 142.81 | 3,359.07 | 4.3% | | 317.58 | 3,148.87 | 10.1% | | -57.85 | Due to unprecedented increase in input prices profit has been reduced substantially. |
| 5 | Inventory Turnover [Sales/(op. Inventory+cl. Inventory)/2] | 28,377.27 | 5,682.44 | 9.36 | 39 | 19,906.30 | 4,971.68 | 4.00 | 91 | 133.72 | In view of increased input prices we have maintained inventory at minimum possible level. |
| 6 | Trade Receivables Turnover [Sales / (op. receivable+cl. Receivables)/2] | 28,377.27 | 3,060.76 | 9.27 | 39 | 19,906.30 | 2,278.06 | 8.74 | 42 | 6.10 | |
| 7 | Trade Payable Turnover [Net Credit Sales/(op.payables+cl. Payables)] | 28,377.27 | 6,063.10 | 4.68 | 78 | 19,906.30 | 5,268.56 | 3.78 | 97 | 23.87 | For availing early payment discount Company has reduced creditors holding period. |
| 8 | Net Capital Turnover ratio [Sales/Working Capital] | 28,377.27 | (403.38) | -70.35 | | 19,906.30 | 207.99 | 95.71 | | -173.51 | Explanation |
| 9 | Net profit Ratio [PAT/Sales] | 142.81 | 28,377.27 | 0.5% | | 317.58 | 19,906.30 | 1.6% | | -68.46 | Explanation |
| 10 | Return on Capital Employed [PBFC/TCE=(NW+DTL)] | 1,456.39 | 3,459.65 | 42% | | 1,668.93 | 3,301.76 | 51% | | -16.72 | |
| 11 | Return on Investment [ROI=Interest received / Average Fix deposits] | 9.52 | 181.32 | 5.25% | | 8.61 | 162.52 | 5.30% | | -0.85 | |

Note 40: Note on Corporate Social Responsibility (CSR)

- a) CSR required to be spent by the Company as per Section 135 of the Companies Act 2013 read with schedule VII thereof during the year is Rs.11.56 Lacs (Previous Year Rs. 9.53 Lacs)
- b) Expenditure related to CSR is Rs. 12 Lacs (Previous year Rs. 9.65 Lacs).

Details of Amount spent towards CSR is given below:

| (Rs. in Lakhs) | | |
|---------------------------------------------------------------------------|---------------|---------------|
| Particulars | 31 March 2022 | 31 March 2021 |
| Setting up Day care centers and such other facilities for Senior Citizens | - | 1.65 |
| Expenses under Covid 19 | - | 8.00 |
| "DKTE COLLEGE OF ICHALKARANJI (Donation of IDEA Lab)" | 1.00 | - |
| Manufacturing Association of Kagal Hatkanagle (Skill Development Centre) | 11.00 | - |
| Total | 12.00 | 9.65 |

Note 41: Earnings per Share (Basic and Diluted):-

| (Rs. in Lakhs) | | |
|-------------------------------------------------------------------------|---------------|---------------|
| Particulars | 31 March 2022 | 31 March 2021 |
| Weighted average number of Equity Shares held during the year (in Nos.) | 141.30 | 141.30 |
| Profit for the year before tax | 306.63 | 524.83 |
| Tax Expenses | 163.81 | 207.25 |
| Net Profit after Tax | 142.82 | 317.58 |
| Basic earning per Equity Share of Rs.10 each | 1.01 | 2.25 |

Note 42 : Transactions with Struck off Companies :

As on 31.03.2022

| Name of the Struck Off Company | Nature of Transaction with Struck Off Company | Balance Outstanding | Relationship with Struck Off Company, if any, to be disclosed |
|--------------------------------|-----------------------------------------------|---------------------|---------------------------------------------------------------|
| NA | Investments in Securities | Nil | NA |
| NA | Receivables | Nil | NA |
| NA | Payable | Nil | NA |
| Kaveri Impex Private Limited | Shares Held by Struck off Company | 0.30 | Shareholder |
| NA | Other Outstanding Balances (To be Specified) | Nil | NA |

As on 31.03.2021

| Name of the Struck Off Company | Nature of Transaction with Struck Off Company | Balance Outstanding | Relationship with Struck Off Company, if any, to be disclosed |
|--------------------------------|-----------------------------------------------|---------------------|---------------------------------------------------------------|
| | Investments in Securities | NIL | NA |
| | Receivables | NIL | NA |
| | Payable | NIL | NA |
| | Shares Held by Struck off Company | NIL | NA |
| | Other Outstanding Balances (To be Specified) | NIL | NA |

As on 31.03.2020

| Name of the Struck Off Company | Nature of Transaction with Struck Off Company | Balance Outstanding | Relationship with Struck Off Company, if any, to be disclosed |
|--------------------------------|-----------------------------------------------|---------------------|---------------------------------------------------------------|
| | Investments in Securities | NIL | NA |
| | Receivables | NIL | NA |
| | Payable | NIL | NA |
| | Shares Held by Struck off Company | NIL | NA |
| | Other Outstanding Balances (To be Specified) | NIL | NA |

Note 43: Segment reporting

Company operates in single operating segment of manufacturing of castings.
Details of revenue contributed by single customer that exceeds 10% of total revenue:

(Rs. in Lakhs)

| Name of the Customer | 2021-22 | 2020-21 |
|-------------------------------------|---------|---------|
| Vestas Wind Technology India Pvt. L | 48.57% | 15.52% |
| Vestas Nacelles America Inc. | 13.66% | 45.36% |
| Siemens Gamesa Renewable Power Pvt | 10.66% | 12.66% |

Note 44: Dues to Micro, Small, Medium Enterprises

(Rs. in Lakhs)

| Particulars | 31st March 2022 | 31st March 2021 | 1st April 2020 |
|----------------------------------------------------------------------------|-----------------|-----------------|----------------|
| Total outstanding amount in respect of micro, small and medium enterprises | 54.06 | 33.31 | 165.08 |
| Principal amount due and remaining unpaid | 54.06 | 165.08 | 165.08 |
| Interest due on above and unpaid interest | Nil | Nil | Nil |
| Interest paid | Nil | Nil | Nil |
| Payment made beyond appointment day | Nil | Nil | Nil |
| Interest due and payable for the period of delay | Nil | Nil | Nil |
| Interest accrued and remaining unpaid | Nil | Nil | Nil |
| Amount of further interest remaining due and payable insucceeding years | Nil | Nil | Nil |

Note 45: First Time Adoption of Ind AS Explanation of transition to Ind AS

These are Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies' (Indian Accounting Standards) Rules, 2015. In preparing the financial statements for the year ended 31 March 2021 and balance sheet as at 1 April 2020 (Date of transition), the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2020 and the financial statements for the year ended 31 March 2021.

Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

Ind AS optional exemptions

1. Property, plant and equipment, intangible assets

Ind AS 101 permits a first-time adaptor to elect to continue with carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as the deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their Indian GAAP carrying value.

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to the Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2020 are consistent with estimates as at the same date made

in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required by Indian GAAP:

- Impairment of financial assets based on expected credit loss model

2. Derecognition of financial assets and liabilities

Ind AS 101, requires first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transaction was obtained at the time of initially accounting of transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS. “

3. Classification and measurement of financial asset

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exists at the transition date to Ind AS.

Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

- equity reconciliation as at 1st April 2020;
- equity reconciliation as at 31st March 2021;
- profit reconciliation for the year ended 31st March 2021; and
- cashflow reconciliation for the year ended 31st March 2021

In the reconciliations mentioned above, certain reclassifications have been made from Indian GAAP financial information to align with the Ind AS presentation.

Note 45 : Crypto Currency or Virtual Currency

(Rs. in Lakhs)

The company has not traded or invested in Crypto Currency or Virtual Currency

| Particulars | Notes | Indian GAAP | Effects of transition to Ind- AS | | Ind AS |
|-----------------------------------------------------------------------------|-------|------------------|----------------------------------|-----------------|------------------|
| | | | Regrouping | Remeasurement | |
| Income | | | | | |
| Revenue from operations | 21 | 19,884.80 | - | 21.49 | 19,906.30 |
| Other income | 22 | 86.07 | 0.00 | - | 86.07 |
| Total Income | | 19,971 | 0.00 | 21.49 | 19,992.36 |
| Expenses | | | | | |
| Cost of raw materials and components consumed | 23 | 7,701.98 | (24.11) | 0.00 | 7,677.88 |
| Purchase of traded goods | | - | - | - | - |
| Changes in inventories of finished goods, work-in-progress and traded goods | 24 | (542.84) | (0.00) | - | (542.84) |
| Employee benefits expense | 25 | 2,071.05 | - | (15.77) | 2,055.28 |
| Finance costs | 26 | 1,037.00 | (0.00) | 107.10 | 1,144.10 |
| Depreciation and amortisation expense | 27 | 849.69 | 0.00 | 0.80 | 850.49 |
| Other Expenses | 28 | 8,258.52 | 24.11 | (0.00) | 8,282.63 |
| Total expenses | | 19,375.39 | 0.00 | 92.13 | 19,467.53 |
| Profit/ (loss) before exceptional items and tax | | 595.48 | (0.00) | (70.64) | 524.84 |
| Exceptional items [Income / (Expense)] | | - | - | - | - |
| Profit before exceptional items and tax | | 595.48 | (0.00) | (70.64) | 524.84 |
| Exceptional items | | | | | |
| Profit before tax | | 595.48 | (0.00) | (70.64) | 524.84 |
| Tax expense | | 225.03 | - | (17.78) | |
| Current tax | 29 | - | - | - | - |
| (Excess)/short provision related to earlier years | 29 | 48.00 | - | (152.20) | (104.20) |
| Deferred tax | 29 | 177.03 | - | 134.42 | 311.45 |
| Profit for the year | | 370.44 | (0.00) | (52.86) | 317.58 |

| | | | | | |
|----------------------------------------------------------------------------------------------------------|--|--------|--------|---------|---------|
| Other comprehensive income | | | | | |
| A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | | | |
| Re-measurement gains / (losses) on defined benefit plans | | - | - | (11.80) | (15.77) |
| Income tax effect on above | | - | - | 3.97 | 3.97 |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A) | | - | - | (11.80) | (11.80) |
| Total other comprehensive income for the year, net of tax [A] | | - | - | (11.80) | (11.80) |
| Total comprehensive income for the year, net of tax | | 370.44 | (0.00) | (64.66) | 305.78 |

Reconciliation of equity as at April 1, 2020 (date of transition to Ind AS):

45 A. Reconciliations between Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income for prior periods. The following tables represent the reconciliations from Indian GAAP to Ind AS:

| Particulars | Notes | Indian GAAP | Effects of transition to Ind- AS | | Ind AS |
|-----------------------------------------|-------|-------------|----------------------------------|---------------|-----------|
| | | | (Rs. in Lakhs) | | |
| | | | Regrouping | Remeasurement | |
| ASSETS | | | | | |
| I. Non-current assets | | 6,542.60 | (0.00) | 31.19 | 6,573.79 |
| (a) Property, plant and equipment | 1 | 5,662.93 | (0.00) | - | 5,662.93 |
| (b) Capital work-in-progress | | 87.20 | - | - | 87.20 |
| (c) Investment property | | - | - | - | - |
| (d) Other Intangible assets | 1 | 116.68 | 0.00 | - | 116.68 |
| (e) Intangible assets under development | | - | - | - | - |
| (f) Financial assets | | - | - | - | - |
| (i) Investments | 2 | - | - | - | - |
| (ii) Trade and other receivables | | - | - | - | - |
| (iii) Loans | 3 | - | - | - | - |
| (iv) Other financial assets | | 425.36 | (404.86) | - | 20.51 |
| (i) Deferred tax assets (net) | | 235.16 | (0.00) | 183.39 | 418.55 |
| (j) Other non-current assets | 4 | 15.27 | 404.86 | (152.20) | 267.93 |
| II. Current assets | | 8,089.72 | (0.00) | - | 8,089.72 |
| (a) Inventories | 5 | 4,643.33 | - | - | 4,643.33 |
| (b) Financial assets | | - | - | - | - |
| (i) Investments | | - | - | - | - |
| (ii) Trade and other receivables | 6 | 1,671.43 | 0.00 | - | 1,671.43 |
| (iii) Cash and Cash equivalents | 7a | 356.16 | (146.18) | - | 209.97 |
| (iv) Bank balance other than (iii)above | 7b | - | 146.18 | - | 146.18 |
| (v) Loans | 8 | - | - | - | - |
| (vi) Others financial assets | 9 | 132.55 | 117.95 | - | 250.50 |
| (c) Assets held for sale | | - | - | - | - |
| (d) Current tax assets (net) | | - | - | - | - |
| (e) Other current assets | 10 | 1,286.26 | (117.95) | - | 1,168.30 |
| Total Assets | | 14,632.33 | (0.00) | 31.19 | 14,663.52 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | 4,142.89 | (0.00) | (1,146.91) | 2,995.98 |
| (a) Equity share capital | 11 | 2,484.00 | - | -1,071.00 | 1,413.00 |
| (b) Other equity | | - | - | - | - |
| Share premium | 12 | 2,255.72 | - | - | 2,255.72 |

| | | | | | |
|-------------------------------------|----|------------------|---------------|--------------|------------------|
| Retained earnings | 12 | -596.83 | -0.00 | -75.91 | -672.74 |
| LIABILITIES | | | | | |
| I. Non-current liabilities | | 2,531.56 | - | 1,178.10 | 3,709.66 |
| (a) Financial liabilities | | - | - | - | - |
| (i) Long Term Borrowings | 13 | 2,494.00 | - | 1,071.00 | 3,565.00 |
| (ii) Preference Share Capital | | - | - | - | - |
| (ii) Other financial liabilities | 14 | 0.12 | - | 107.10 | 107.22 |
| (b) Long-term provisions | 15 | 37.44 | - | - | 37.44 |
| (c) Deferred tax liabilities (net) | | - | - | - | - |
| (d) Other non-current liabilities | | | | | |
| II. Current liabilities | | 7,957.86 | -0.00 | - | 7,957.86 |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | 16 | 1,791.21 | 538.54 | - | 2,329.76 |
| (ii) Trade and other payables | | 4,886.60 | -0.00 | - | 4,886.60 |
| (iii) Other financial liabilities | | - | 631.93 | - | 631.93 |
| (b) Other current liabilities | | 1,272.25 | -1,170.47 | - | 101.78 |
| (c) Short-term provisions | | 7.80 | - | - | 7.80 |
| Total Equity and Liabilities | | 14,632.32 | (0.00) | 31.19 | 14,663.51 |

Reconciliations between Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Indian GAAP to Ind AS

(Amount in Lakhs)

| Particulars | Notes | Indian | Effects of transition to Ind- AS | | Ind AS |
|------------------------------------------|-------|------------------|----------------------------------|---------------|------------------|
| | | | Regrouping | Remeasurement | |
| ASSETS | | | | | |
| I. Non-current assets | | 7,134.79 | (0.00) | 115.93 | 7,250.71 |
| (a) Property, plant and equipment | 1 | 6,179.06 | - | 20.69 | 6,199.74 |
| (b) Capital work-in-progress | 1 | 302.52 | (0.00) | 42.30 | 344.82 |
| (c) Investment property | | - | - | - | - |
| (d) Other Intangible assets | 1 | 67.30 | 0.00 | - | 67.30 |
| (e) Intangible assets underdevelopment | | - | - | - | - |
| (f) Financial assets | | - | - | - | - |
| (i) Investments | | - | - | - | - |
| (ii) Trade and other receivables | | - | - | - | - |
| (iii) Loans | | - | - | - | - |
| (iv) Other financial assets | 2 | 513.51 | (494.01) | - | 19.51 |
| (g) Deferred tax assets (net) | 14 | 58.13 | (0.00) | 52.94 | 111.06 |
| (h) Other non-current assets | 3 | 14.27 | 494.01 | - | 508.28 |
| II. Current assets | | 9,822.95 | 455.47 | - | 10,278.42 |
| (a) Inventories | 4 | 5,300.02 | (0.00) | - | 5,300.02 |
| (b) Financial assets | | - | - | - | - |
| (i) Investments | | - | - | - | - |
| (ii) Trade and other receivables | 5 | 2,686.31 | 198.40 | - | 2,884.70 |
| (iii) Cash and Cash Equivalents | 6a | 394.77 | (178.86) | - | 215.91 |
| (iv) Bank balance other than (iii) above | 6b | - | 178.86 | - | 178.86 |
| (v) Loans | | - | - | - | - |
| (vi) Others financial assets | 7 | 21.70 | 631.13 | - | 652.83 |
| () Other current assets | 8 | 1,420.15 | (374.06) | - | 1,046.09 |
| Total Assets | | 16,957.75 | 455.46 | 115.93 | 17,529.13 |
| EQUITY AND LIABILITIES | | | | | |

| | | | | | |
|-------------------------------------|----|------------------|---------------|---------------|------------------|
| Equity | | 4,513.34 | 0.00 | (1,211.58) | 3,301.76 |
| (a) Equity share capital | 9 | 2,484.00 | - | (1,071.00) | 1,413.00 |
| (b) Other equity | 10 | - | - | - | - |
| Share premium reserve | | 2,255.72 | - | - | 2,255.72 |
| Retained Earnings | | (226.39) | 0.00 | (140.58) | (366.96) |
| LIABILITIES | | | | | |
| I. Non-current liabilities | | 2,871.76 | 0.00 | 1,285.21 | 4,156.96 |
| (a) Financial liabilities | | - | - | - | - |
| (i) Long Term Borrowings | 11 | 2,827.35 | 0.00 | 1,071.00 | 3,898.35 |
| (ii) Other financial liabilities | 12 | 0.12 | - | 214.21 | 214.32 |
| (b) Long-term provisions | 13 | 44.30 | - | - | 44.30 |
| (c) Deferred tax liabilities (net) | 14 | - | - | - | - |
| (d) Other non-current liabilities | | | | | |
| II. Current liabilities | | 9,572.65 | 455.46 | 42.30 | 10,070.41 |
| (a) Financial liabilities | | - | - | - | - |
| (i) Borrowings | 15 | 2,273.67 | 1,415.42 | - | 3,689.09 |
| (ii) Trade and other payables | 16 | 5,650.51 | (0.00) | - | 5,650.52 |
| (iii) Other financial liabilities | 17 | - | 630.32 | - | 630.33 |
| (c) Other Current Liabilities | 18 | 1,642.70 | (1,590.28) | 42.30 | 94.72 |
| (d) Short-Term Provisions | 19 | 5.77 | - | - | 5.77 |
| Total Equity and Liabilities | | 16,957.75 | 455.46 | 115.93 | 17,529.13 |

Note 45B Reconciliation between Indian GAAP and IND AS:

a) Employee benefit expenses - actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss.

Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

The impact on profitability arising from this change is summarised as follows:

| Statement of profit and loss | Year ended 31 March 2021 |
|------------------------------------------|--------------------------|
| Employee benefit expenses | 15.77 |
| Other comprehensive income | Year ended 31 March 2021 |
| Items that will not be classified to P/L | |
| Add / (less): Actuarial gain / loss | (15.77) |

b) Interest expenses - Expenses on classification of preference shares capital as debt

Under Indian GAAP, preference shares were treated as a part of equity share capital and hence no interest or other cost was debited to profit and loss account.

Under Ind AS, preference shares are classified as debt. This preference share are cumulative redeemable preference shares with no conversion option. On classification as debt interest cost is recognized in profit & loss account.

| Statement of profit and loss | Year ended 31 March 2021 |
|------------------------------|--------------------------|
| Finance costs | 107.10 |

c) Government grant - recognition on gross basis of government grant

Under Indian GAAP, government grant received against capital goods was adjusted in cost of plant and machinery, depreciation on net cost was debited to profit and loss account.

Under Ind AS, government grant is recognised on gross basis. Deferred revenue liability was created with corresponding debit to plant and machinery. Deferred revenue is recognised as income over period of commitment and depreciation is charged to profit or loss on increased value.

The impact on profitability arising from this change is summarised as follows:

| Statement of profit and loss | Year ended 31 March 2021 |
|---------------------------------------|--------------------------|
| Revenue from operations | 21.49 |
| Depreciation and amortisation expense | (0.80) |

d) Deferred taxes:

Indian GAAP requires deferred taxes to be accounted using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period.

IndAS 12- Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its taxbase. The application of Ind-AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Note 46 : Note on Charge Creation:

The company has registered all Details of Registration or satisfaction of charges with ROC within the prescribed time from the execution of document.

Note 47 : Foreign Exchange Earnings:

Company has earned foreign currency amounting to Rs. 4418 Lacs (Previous Year Rs. 9022 Lacs)

Note 48 : Willful Defaulter:

The company has not been declared as willful defaulter by any banks/Financial Institutions.

Note 49 : Crypto Currency or Virtual Currency:

The company has not traded or invested in Crypto Currency or Virtual Currency

Note 50 : Note on Undisclosed Income If any:

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or surveyor any other relevant provisions of the Income Tax Act, 1961).

Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

Note 51 : Note on layers of Companies:

Company does not have any investment, hence provisions under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable.

Note 52 : Note on regrouping of figures:

Figures of the previous year have been regrouped wherever necessary.

**As per our report of even date
For M/s DAB & Associates
Chartered Accountants
Firm Registration No. 101119W**

**For and on behalf of the board of directors of
SYNERGY GREEN INDUSTRIES LIMITED**

**Guruprasad Bobhate
Partner
Membership No.198670**

**Sachin R. Shirgaokar
Chairman and Managing Director
DIN:00254442**

**Sohan S. Shirgaokar Jt.
Managing Director
DIN:00217631**

**Place : Kolhapur
Date : May 20, 2022**

**Suhas B. Kulkarni
Chief Financial Officer**

**Nilesh M. Mankar
Company Secretary**

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2024, 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:

- a) Company at their meeting of board of directors held on May 22, 2024 Appointed M/s. Prajot Tungare & Associates, Company Secretaries, Pune as Secretarial auditors of the Company and M/s. Adawadkar Chougule & associates as a Cost Auditor of the Company and Mr. Vijay Mhakave, Asst Manager Accounts as an Internal Auditor of the Company.
- b) Company at their meeting of board of directors held on May 22, 2024 Re-appointed Mr. Shishir S. Shirgaokar as Non-Executive Director and approved resolution for continuation of Mr. Dattaram Kamat as an Independent Director under Regulation 17 (1A) of SEBI (LODR) Regulations 2015 for remaining period i.e. upto February 22, 2028.
- c) Company at their meeting of board of directors held on May 22, 2024 appointed Mr. Pratik Dukande as Chief Financial Officer.
- d) Credit rating of Long Term/ Short Term Bank facilities as well as Fixed Deposits being availed by the Company on 2nd June, 2023 from CRISIL as summarized below.

| Tenure | Rating |
|-------------------|---------------------------------|
| Long Term Rating | CRISIL BBB-/Stable (Reaffirmed) |
| Short Term Rating | 'CRISIL A3 (Reaffirmed)' |
| FD Ratings | 'BBB-/Stable' |

- e) The Company has passed resolution dated October 05, 2023 through postal ballot Re-appointed Mr. Sachin Shirgaokar (DIN: 00254442) as Chairman and Managing Director and Mr. Sohan Shirgaokar (DIN: 00217631) as Joint Managing Director for further period of 3 years.
- f) The Company has passed resolution dated October 05, 2023 Re-appointment of Mr. Sohan S. Shirgaokar (DIN: 00217631) as Joint Managing Director of the Company for a further period of three (3) years and his remuneration.
- g) The Company has passed resolution dated October 05, 2023 through postal ballot Re-appointed Mr. Subhash Kutte (DIN: 00233322) as an Independent Director.
- h) The Company has passed resolution dated October 05, 2023 through postal ballot approve the alteration in the object clause of the Company:
- i) Company at their meeting of board of directors held on March 14, 2024, approved Raising funds through issue of fully paid-up equity shares on rights basis to the existing equity shareholders of the Company, in accordance with applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Rights Issue").
- j) Company at their meeting of board of directors held on March 14, 2024, has appointed M/s Beeline Capital Advisor Private Limited as Merchant Banker as Advisor to Issue.

ACCOUNTING RATIOS

Unless context requires otherwise, the following tables present certain accounting and other ratios derived from the relevant Audited Financial Statements. For details see “Financial Information” on page 87.

(Rs. in Lakhs except EPS)

| Particulars | For the year ended March 31 | | | |
|-----------------------------------------------------------------------------------|-----------------------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 |
| Net profit / (loss) after tax, attributable to equity shareholders (Standalone) | 1156.24 | 86.74 | 142.82 | 317.58 |
| Weighted Average Number of Shares Outstanding (Basic) | 141.30 | 141.30 | 141.30 | 141.30 |
| Weighted Average Number of Shares Outstanding (Diluted) | 141.30 | 141.30 | 141.30 | 141.30 |
| Face value per Share (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 |
| Basic Earnings per Share (Rs.) | 8.18 | 0.61 | 1.01 | 2.25 |
| Diluted Earnings per Share (Rs.) | 8.18 | 0.61 | 1.01 | 2.25 |
| Net profit / (loss) after tax, attributable to equity shareholders (Consolidated) | 1156.24 | 86.74 | 142.82 | 317.58 |
| Weighted Average Number of Shares Outstanding (Basic) | 141.30 | 141.30 | 141.30 | 141.30 |
| Weighted Average Number of Shares Outstanding (Diluted) | 141.30 | 141.30 | 141.30 | 141.30 |
| Face value per Share (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 |
| Basic Earnings per Share (Rs.) | 8.18 | 0.61 | 1.01 | 2.25 |
| Diluted Earnings per Share (Rs.) | 8.18 | 0.61 | 1.01 | 2.25 |
| Net Asset Value Per Equity Share (Rs.) | 33.05 | 24.85 | 24.18 | 23.37 |
| Net Asset Value (Net-worth) | 4669.33 | 3511.22 | 3416.38 | 3301.76 |
| Number of equity shares outstanding at the end of the period/year | 141.30 | 141.30 | 141.30 | 141.30 |
| Net Assets Value per equity share (Rs.) | 33.05 | 24.85 | 24.18 | 23.37 |
| Return on Net worth | 24.76% | 2.47% | 4.18% | 9.62% |
| Net Profit / (loss) after tax | 1156.24 | 86.74 | 142.82 | 317.58 |
| Net worth | 4669.33 | 3511.22 | 3416.38 | 3301.76 |
| Return on net worth | 24.76% | 2.47% | 4.18% | 9.62% |
| EBITDA | 3700.66 | 2676.11 | 2520.33 | 2519.42 |
| Profit / (loss) after tax (A) | 1156.24 | 86.74 | 142.82 | 317.58 |
| Current Tax (B) | 409.32 | -17.45 | 163.81 | 207.25 |
| Finance costs (C) | 1407.87 | 1407.87 | 1149.77 | 1144.10 |
| Depreciation and amortization expense (D) | 1209.48 | 1198.95 | 1063.93 | 850.49 |
| EBITDA (A+B+C+D) | 4182.91 | 2676.11 | 2520.33 | 2519.42 |
| EBIT | 2973.43 | 1477.16 | 1456.40 | 1668.93 |
| Revenue from Operation | 32630.97 | 28971.17 | 28377.27 | 19906.30 |
| Operating Profit Margin | 9.11% | 5.10% | 5.13% | 8.38% |
| Net Profit Margin | 3.54% | 0.30% | 0.50% | 1.60% |

The ratios have been computed as per the following formulae:

- (i) **Basic and Diluted Earnings per Share:** *Net Profit after tax for the year attributable to equity shareholders / Weighted average number of equity shares outstanding during the year*
- (ii) **Net Assets Value (NAV):** *Net Asset Value at the end of the year / Number of equity shares outstanding at the end of the year*
- (iii) **Return on Net worth (%):** *Net Profit after tax for the year, attributable to equity shareholders / Net worth (excluding revaluation reserve) at the end of the year*
 - *Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.*
- (iv) **EBITDA:** *Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the restated financial statement of profit and loss.*
- (v) **Operating Profit margin:** *Operating profit margin is calculated as Earnings before interest & tax (EBIT) for the year/period divided by Revenue from operations for the respective year/period. EBIT is calculated as EBITDA (as explained above) less depreciation & amortisation expenses for the respective year/period.*
- (vi) **Net Profit margin** *Net profit margin is calculated as Profit/(loss) after tax for the year/period divided by Revenue from operations for the respective year/period.*

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited financial statements as of end for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included in this Draft Letter of Offer. Our Audited financial statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Audited Financial Results of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled “Risk Factors” and “Forward Looking Statements” on pages 21 and 15, respectively.

*Our financial year ends on March 31 of each year, so all references to a particular “financial year” and “Fiscal” are to the twelve (12) month period ended March 31 of that year. References to the “Company”, “we”, “us” and “our” in this chapter refer to **Synergy Green Industries Limited** on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.*

OVERVIEW OF OUR BUSINESS

Our Company, Synergy Green Industries Limited (SGIL), was incorporated in the year 2010 is engaged in the business of foundry i.e. manufacturing of castings, industrial castings, turbine castings, metal castings, steel castings and Windmill Parts. Our Company Started as a green filed foundry project during 2011 and entered in commercial operation in June 2012. The operation of our Company is situated in Kolhapur, Maharashtra in following parts:-

- Registered Office - 392 E Ward, Shahupuri, Kolhapur - 416001, Maharashtra, India.
- Manufacturing Unit - Plot No.C-18, Five Star MIDC, Kagal, Kolhapur – 416216, Maharashtra, India
- Workshop - Plot No. C-16, MIDC, Gokul Shirgaon Kolhapur - 416234 Maharashtra, India

Our Company is an ISO 9001:2015 certified for Manufacture of Graded Grey Iron, Spheroidal Graphite Iron and Steel Casting and Machined Components for Non-Automotive and Industrial Applications. We are capable to handle the castings ranging from 500 Kg to 17 MT single piece in ductile iron and grey iron. Our Plant is equipped with MAGMA simulation software, Furan no bake moulding plant, Induction melting furnace and entire range of testing equipment’s to meet stringent quality specifications. Our Company consists of three segments namely Wind Turbine, Wind Gear Box and General Engineering (Non-Wind Segment) like Mining equipment, Pump and Valve Industry Plastic Injection machines, traction motors and small casting.

For the period ended March 31, 2023 our Company’s Total Income and Restated Profit after Tax were Rs. 29014.83 Lacs and Rs. 86.74 Lacs, respectively. For the year ended March 31, 2022, our Company’s Total Income and Restated Profit after Tax was Rs. 28491.69 Lacs and Rs. 142.82 Lakhs respectively, compared to our Company’s Total Income and Restated Loss after Tax of Rs.19992.37 Lacs and Rs. 317.58 Lacs respectively, over previous year ended i.e. March 31, 2021.

SIGNIFICANT FACTORS AFFECTING OUR 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 21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Fluctuations in operating costs;
- Our failure to keep pace with rapid changes in technology;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in foundry Industry in Wind Sector
- Factors affecting foundry Industry in Wind Sector.
- Foreign Exchange Fluctuations.
- Higher interest outgo on our loans.
- Our ability to successfully implement our growth strategy and expansion plans;
- Any adverse outcome in the legal proceedings in which we are involved
- Our ability to meet our capital expenditure & working capital expenditure requirements;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;

- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Audited Financial Statements. For details see “Financial Information” on page 87.

Results of our Operations:

The following table sets forth, for the periods indicated, certain items from our Standalone audited financial statements, in each case also stated as a percentage of our total income:

(₹ in Lakhs)

| Particulars | For the Year Ended March 31, 2024 | | For the Year Ended March 31, 2023 | | For the Year Ended March 31, 2022 | | For the Year Ended March 31, 2021 | |
|------------------------------------------------------|-----------------------------------|--------------|-----------------------------------|--------------|-----------------------------------|---------------|-----------------------------------|---------------|
| | Amount | (%)* | Amount | (%)* | Amount | (%)* | Amount | (%)* |
| Revenue | | | | | | | | |
| Revenue from Operations | 32,630.97 | 99.45 | 28,971.17 | 99.85 | 28,377.27 | 99.60 | 19,906.30 | 99.57 |
| Other Incomes | 181.73 | 0.55 | 43.66 | 0.15 | 114.42 | 0.40 | 86.07 | 0.43 |
| Total Revenue | 32,812.70 | 100 | 29,014.83 | 100 | 28,491.69 | 100.00 | 19,992.37 | 100.00 |
| Expenses: | | | | | | | | |
| Cost of Materials Consumed | 13,202.09 | 40.23 | 13,220.75 | 45.57 | 12,790.76 | 44.89 | 7,677.88 | 38.40 |
| Purchase of stock in trade | - | - | - | - | - | - | - | - |
| Changes in Inventory of FG, WIP and Stock in trade | 364.50 | 1.11 | (679.51) | -2.34 | (465.34) | -1.63 | (542.84) | -2.72 |
| Employee Benefit Expenses | 2,783.95 | 8.48 | 2,418.62 | 8.34 | 2,340.39 | 8.21 | 2,055.28 | 10.28 |
| Finance Costs | 1,334.94 | 4.07 | 1,407.87 | 4.85 | 1,149.77 | 4.04 | 1,144.10 | 5.72 |
| Depreciation & Amortization | 1,209.48 | 3.69 | 1,198.95 | 4.13 | 1,063.93 | 3.73 | 850.49 | 4.25 |
| Other Expenses | 12,352.18 | 37.64 | 11,378.86 | 39.22 | 11,305.55 | 39.68 | 8,282.63 | 41.43 |
| Total Expenses | 31,247.14 | 95.23 | 28,945.54 | 99.76 | 28,185.06 | 98.82 | 19,467.54 | 97.37 |
| Profit/(Loss) before exceptional item and Tax | 1,565.56 | 4.77 | 69.29 | 0.24 | 306.63 | 1.08 | 524.83 | 2.63 |
| Exceptional Items | - | - | - | - | - | - | - | - |
| Profit before Tax | 1,565.56 | 4.77 | 69.29 | 0.24 | 306.63 | 1.08 | 524.83 | 2.63 |
| Tax Expenses: | | | | | | | | |
| I. Current tax | 359.60 | 1.10 | - | 0 | - | 0 | - | 0 |

| Particulars | For the Year Ended March 31, 2024 | | For the Year Ended March 31, 2023 | | For the Year Ended March 31, 2022 | | For the Year Ended March 31, 2021 | |
|---------------------------------------------------------------------------------|-----------------------------------|-------------|-----------------------------------|---------------|-----------------------------------|--------------|-----------------------------------|---------------|
| | Amount | (%)* | Amount | (%)* | Amount | (%)* | Amount | (%)* |
| II. Adjustments in respect of current income tax of previous year | - | - | - | - | - | - | (104.20) | (0.52) |
| III. Deferred Tax | 49.72 | 0.15 | (17.45) | 0 | 163.81 | 0.57 | 311.45 | 1.56 |
| IV. Income Tax (Prior Period) | - | - | - | 0.00 | - | 0.00 | - | 0.00 |
| Total Tax Expenses | 409.32 | 1.25 | (17.45) | (0.06) | 163.81 | 0.57 | 207.25 | 1.04 |
| Profit/ (Loss) After Tax | 1,156.24 | 3.52 | 86.74 | 0.30 | 142.82 | 0.51 | 317.58 | 1.59 |
| Other Comprehensive Income | | | | | | | | |
| a) Items that will not be reclassified to profit or loss | - | - | | | | | | |
| Re-measurement Gain/(Loss) on Defined Benefit Plan | 2.52 | 0.01 | 10.85 | 0.04 | (37.67) | -0.13 | (15.77) | (0.08) |
| Income tax in respect of above | -0.63 | 0.00 | (2.73) | -0.01 | 9.48 | 0.03 | 3.97 | - |
| b) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | | | | | |
| Cash Flow Hedge Reserve / Foreign Currency Translation Reserve | - | - | - | | - | 0 | - | - |
| Income tax in respect of above | - | - | - | 0.00 | - | 0 | - | - |
| Total other Comprehensive Income | 1.89 | 0.01 | 8.12 | 0.03 | (28.19) | -0.10 | (11.80) | (0.06) |
| Total Comprehensive Income for the period | 1,158.13 | 3.53 | 94.86 | 0.33 | 114.63 | 0.40 | 305.78 | 1.53 |

*(%) column represents percentage of total revenue.

Comparison of Historical Results of Operations (Fiscal 2024 compared to Fiscal 2023)

Total Revenue

Our total revenue for the Fiscal 2024 was ₹ 32,812.70 lakhs as compared to ₹ 29,041.65 lakhs for the Fiscal 2023, representing increase of 12.98%. Total revenue is bifurcated into revenue from operations and other income.

Revenue from operations:

During the Fiscal 2024, the revenue from operations of our company Increased to ₹ 32,630.97 lakhs as against ₹ 28,971.17 lakhs for the Fiscal 2023, representing increase of 12.63%.

Other income:

Other income for Fiscal 2024 was ₹ 181.73 lakhs as compared to ₹ 70.48 lakhs for the Fiscal 2023, representing increase of 157.85%.

Expenses

Cost of materials consumed:

Cost of materials consumed for the Fiscal 2024 was ₹ 13,202.09 lakhs as compared to ₹ 13,220.75 lakhs for the Fiscal 2023 representing reduction of 0.14%.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress:

The changes in inventories of finished goods, stock-in-trade and work in progress for the fiscal 2024 recorded a decrease by ₹ 364.50 lakhs against an increase of ₹ (679.51) lakhs for the fiscal 2023.

Employee benefit expenses:

Our Company has incurred ₹ 2,783.95 lakhs employee benefit expense for the Fiscal 2024 as compare to ₹ 2,418.62 lakhs for the Fiscal 2023, representing an increase of 15.10%. Increase in Employee benefit cost is due to regular increase in salary and wages.

Finance cost:

Finance cost for the Fiscal 2024 was ₹ 1334.94 lakhs as compared to ₹ 1,407.87 lakhs for the Fiscal 2023, representing an decrease of 5.18%.

Depreciation and Amortization Expense:

Depreciation and amortization expense for the Fiscal 2024 was ₹ 1,209.48 lakhs as compared to ₹ 1,198.95 lakhs for the Fiscal 2023, representing an increase of 0.88%.

Other expenses

Other expenses for the Fiscal 2024 was ₹ 12,352.18 lakhs as compared to ₹ 11,405.68 lakhs for the Fiscal 2023, representing an Increase of 8.30%. This Increase pertains operations of the Company.

Profit/Loss before Tax:

The profit/(loss) before tax for the Fiscal 2024 of ₹ 1565.56 lakhs as compared to ₹ 69.29 lakhs showing an increase of 2159.43%.

Profit/Loss after Tax:

Our Company's profit after tax for the Fiscal 2024 of ₹ 1156.24 lakhs an increase of 1233.00% over the profit after tax for the Fiscal 2023 of ₹ 86.74 lakhs.

Fiscal 2023 compared to Fiscal 2022

Total Revenue

Our total revenue for the Fiscal 2023 was ₹ 29,014.83 lakhs as compared to ₹ 28,491.69 lakhs for the Fiscal 2022, representing increase of 1.84%. Total revenue is bifurcated into revenue from operations and other income.

Revenue from operations:

During the Fiscal 2023, the revenue from operations of our company Increased to ₹ 28,971.17 lakhs as against ₹ 28,377.27 lakhs for the Fiscal 2022, representing increase of 2.10%.

Other income:

Other income for Fiscal 2023 was ₹ 43.66 lakhs as compared to ₹ 114.42 lakhs for the Fiscal 2022, representing decrease of 61.84%.

Expenses

Cost of materials consumed:

Cost of materials consumed for the Fiscal 2023 was ₹ 13,220.75 lakhs as compared to ₹ 12,790.76 lakhs for the Fiscal 2022 representing an increase of 3.36%.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress:

The changes in inventories of finished goods, stock-in-trade and work in progress for the fiscal 2023 recorded decrease to ₹ (679.51) lakhs from (465.34) lakhs for the fiscal 2022 representing an overall decrease of 46.02%.

Employee benefit expenses:

Our Company has incurred ₹ 2,418.62 lakhs employee benefit expense for the Fiscal 2023 as compare to ₹ 2,340.39 lakhs for the Fiscal 2022, representing an increase of 3.34%. Increase in Employee benefit cost is due to regular increase in salary and wages.

Finance cost:

Finance cost for the Fiscal 2023 was ₹ 1,407.87 lakhs as compared to ₹ 1,149.77 lakhs for the Fiscal 2022, representing an increase of 22.45%. Increase in financial cost is due to increase in borrowing for working capital requirements of the Company.

Depreciation and Amortization Expense:

Depreciation and amortization expense for the Fiscal 2023 was ₹ 1,198.95 lakhs as compared to ₹ 1,063.93 lakhs for the Fiscal 2022, representing an increase of 12.70%.

Other expenses

Other expenses for the Fiscal 2023 was ₹ 11,378.86 lakhs as compared to ₹ 11,305.55 lakhs for the Fiscal 2022, representing an Increase of 0.65%. This Increase pertains operations of the Company.

Profit/Loss before Tax:

The profit/(loss) before tax for the Fiscal 2023 of ₹ 69.29 lakhs as compared to ₹ 306.63 lakhs showing a fall of 77.40%.

Profit/Loss after Tax:

Our Company's profit after tax for the Fiscal 2023 of ₹ 86.74 lakhs an Decrease of 39.27% over the profit after tax for the Fiscal 2022 of ₹ 142.82 lakhs.

Fiscal 2022 compared to Fiscal 2021

Total Revenue

Our total revenue for Fiscal 2022 was ₹ 28,491.69 lakhs as compared to ₹ 19,992.37 lakhs for Fiscal 2021, representing increase of 42.51%. Total revenue is bifurcated into revenue from operations and other income.

Revenue from operations:

During the Fiscal 2022, the revenue from operations of our company increased to ₹ 28,377.27 lakhs as against ₹ 19,906.30 lakhs in the Fiscal 2021.

Other income:

During Fiscal 2022, the revenue from other income of our company increased to ₹ 114.42 lakhs as against ₹ 86.07 lakhs in the Fiscal 2021. This increase is due to other non-operative income of the Company.

Expenses

Cost of materials consumed:

Cost of materials consumed for Fiscal 2022 was increased to ₹ 12,790.76 lakhs from ₹ 7,677.88 lakhs in Fiscal 2021, representing 66.59% increase. Increase in consumption of raw material is due to increase in revenue from operations of our company.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress:

Changes in inventories of finished goods, stock-in-trade and Work in progress for the Fiscal 2022 decreased to ₹ (465.34) lakhs from ₹ (542.8) lakhs for the Fiscal 2021 representing an overall decrease of 14.27%.

Employee benefit expenses:

Our Company has incurred ₹ 2,340.39 lakhs of employee benefit expenses for Fiscal 2022, as compared to ₹ 2,055.28 lakhs for Fiscal 2021, reflecting an increase of 13.87%. Increase in Employee benefit cost is due to regular increase in salary and wages.

Finance cost:

Finance costs increased to ₹ 1,149.77 lakhs for Fiscal 2022 from ₹ 1,144.10 lakhs for the Fiscal 2021, representing a change of 0.50%. Increase is due to additional working capital borrowing to meet increase in sales requirement.

Depreciation and amortization Expense:

Depreciation and amortization expense for the Fiscal 2022 stood at ₹ 1,063.93 lakhs as compared to ₹ 850.49 lakhs for the Fiscal 2021, showing an increase of 25.10%.

Other expenses

Other expenses for Fiscal 2022 stood at ₹ 11,305.55 lakhs as compared to ₹ 8,282.63 lakhs for Fiscal 2021, representing a decrease of 36.50%.

Profit/Loss before Tax:

The profit before tax for Fiscal 2022 stood at ₹ 306.63 lakhs as compared to ₹ 524.83 lakhs in Fiscal 2021, showing fall of -41.58%.

Profit/Loss after Tax:

The profit after tax Fiscal 2022 stood at ₹ 142.82 lakhs as compared to ₹ 317.58 lakhs for Fiscal 2021, showing fall of -55.03%.

CASH FLOWS

The table below summaries our consolidated cash flows from our Audited Financial Information for the financial year ended March 31, 2024, 2023, 2022 and 2021.

| Particulars | For the year ended March 31 | | | |
|----------------------------------------------------------------------------------|-----------------------------|--------------|-----------------|-------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 |
| Net cash generated from / (used in) Operating activities | 3768.66 | 2566.66 | 2808.21 | 1063.18 |
| Net cash generated from / (used in) Investing activities | (1908.47) | (1378.63) | (2514.02) | (1755.73) |
| Net cash generated from / (used in) from Financing activities | (1482.67) | (1167.74) | (501.48) | 698.49 |
| Net Increase / (decrease) in Cash & Cash Equivalents | 377.52 | 20.29 | (207.29) | 5.94 |
| Cash and cash equivalents at the beginning of the year | 28.91 | 8.62 | 215.91 | 209.97 |
| Less: (Loss) / Gain on restatement of foreign currency Cash and Cash Equivalents | - | - | - | |
| Cash and cash equivalents at the end of the year | 406.43 | 28.91 | 8.62 | 215.91 |

Related Party Transactions

Related party transactions with our promoters, directors and their entities and relatives primarily relate to purchase and sale of products, remuneration, sitting fees, borrowings, deposits, rent, interest, reimbursements, disinvestments, employee benefit expenses, corporate social responsibility, contribution to gratuity fund, etc. For further details of such related parties under Ind AS-24, refer chapter titled “Financial Information” beginning on page 87 of this Draft Letter of Offer.

Contingent Liabilities

The following table sets forth our contingent liabilities and commitments as on March 31, 2024, March 31, 2023, March 31, 2022 and March 30, 2021 as per audited financial statements:

| Particulars | ₹ in Lakhs | | | |
|-----------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
| Contingent Liabilities: | | | | |
| Excise & Service Tax [Amount paid under protest Rs. 9.39 Lacs (Previous Year Rs.9.39 Lacs)] | 12.34 | 12.34 | 12.20 | 12.34 |
| Goods & Service Tax [Amount paid under protest Rs. 26.90 Lacs. (Previous Year Rs.26.90 Lacs)] | 534.12 | 534.12 | 534.12 | - |

Off-Balance Sheet Arrangements

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

Qualitative Disclosure about Market Risk

The Company's financial liabilities comprise mainly of borrowings, trade, other payables and financial assets comprise mainly of security deposits, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk - Foreign Currency, Credit risk and Liquidity risk. The Board of the Company monitors the risk as per risk management policy. Further, the Audit Committee has additional oversight in the area of financial risks and controls. For further details of such risk, refer chapter titled "*Financial Information*" beginning on page 87 of this Draft Letter of Offer.

Unusual or Infrequent Events or Transactions

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

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

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

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 21 and 91, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

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

Changes in revenue in the last three financial years are as explained in the part financial year 2023 compared to financial year 2022, financial year 2022 compared to financial year 2021.

Competitive Conditions

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the manufacturing and processing industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 21 of this Draft letter of offer.

New Product or Business Segment

Except as disclosed in "*Business Overview*" on page 57, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under "*Business Overview*", "*Risk Factors*" and "*Material Developments*" on pages 57, 21 and 88 respectively, to our knowledge no circumstances have arisen since March 31, 2023, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Promoters, Directors, Group Company and Subsidiary, (the “**Relevant Parties**”).

For the purpose of (V) above, our Board in its meeting held on November 12, 2021, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS, SUBSIDIARIES AND GROUP COMPANIES

| Nature of Case | Number of Cases | Outstanding Amount (in lakhs) |
|------------------------------------------------|-----------------|----------------------------------|
| <i>Company</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | 3 | 546.46 |
| Civil Case/ Criminal Case | Nil | Nil |
| <i>Directors</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | 17 | 31.78 |
| <i>Promoters (Other than Directors)</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | 3 | 0.87 |
| Civil Case/ Criminal Case | 8 | 8.22 |
| <i>Subsidiaries</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | Nil | Nil |
| <i>Group Companies</i> | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Civil Case/ Criminal Case | Nil | Nil |

Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

OTHER MATERIAL LITIGATIONS:

LITIGATION INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY:

1. CRIMINAL/CIVIL MATTERS:

NIL

2. WILFUL DEFAULTER:

Our Company does not appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES¹:

Nil

4. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Excise and Service Tax:

- a) Total amount of litigation under Excise and Service tax for the period of 2012-13 to 2013-14 is Rs.28,762/-out of which amount of Rs. 14,382 has paid towards the penalty vide GAR-7 challan no. 00002 dated March 2, 2018. The Commissioner (Appeals-I) Central Tax, Pune vide order No PUN-EXCUS-001-APP-0182/18-19 Dt.16.07.2018 directed to original authority to re-quantify the demand. However, the re-qualification is pending till date.
- b) Excise and Service Tax department conducted Audit for the FY 2015-2016 to FY 2017-2018 (Apr 17 to Jun 17) and issued letter dt 18.11.2017 for audit observations and raising demand. Total amount of demand under Excise and Service tax for the period of 2015-2016 to 2017-2018 (Apr 17 to Jun 17) is Rs.12,05,280/- along with interest and penalty, out of which amount of Rs. 12,05,280/- paid under protest. We have submitted required information to authority and pending for decision before Asst. Commissioner of CGST Division III, Kolhapur.

Goods and Service Tax

- a) GST department conducted Audit u/s 65(1) of CGST Act 2017 for the period Jul 2017 to Mar 2018 and issued demand order in Form DRC-07 Dt 27.08.2021 of Rs.5,34,12,348/- along with interest and penalty. We have filed appeal against above demand order on 23.11.2021 and paid 10% amount of Rs. 26,89,907/- on liability. The appeal is pending before Jt. Commissioner of state tax (Appeal) Kolhapur.

B. LITIGATIONS FILED BY OUR COMPANY:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATION INVOLVING DIRECTORS OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY:

1. CRIMINAL/CIVIL MATTERS:

As per Annexure 1

2. WILFUL DEFAULTERS:

None of our Directors' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES¹:

Nil

4. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

B. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY:

1. CRIMINAL MATTERS:

NIL

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATION INVOLVING OUR PROMOTERS (OTHER THAN DIRECTORS)

A. LITIGATIONS AGAINST OUR PROMOTER/S (OTHER THAN DIRECTORS):
S B RESHELLERS PRIVATE LIMITED:

1. CRIMINAL MATTERS:

As per Annexure- 2

2. DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST OUR PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION:

Nil

3. WILFUL DEFAULTERS:

None of our Promoters' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

4. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:

Nil

5. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

1. Appeal is filed by the Company against Works Contract Tax assessment order FY 2001-02 of Rs. 20,328/- by Sales Tax Officer Kolhapur, subject matter is pending before Dy Commissioner of Sales Tax (Appeals) (District authority Kolhapur) and matter sub-judice.
2. Appeal is filed by the Company against Bombay Sales Tax Act assessment order FY 2001-02 of Rs. 46,762/- by Sales Tax Officer Kolhapur, subject matter is pending before Dy Commissioner of Sales Tax (Appeals) (District authority Kolhapur) and matter sub-judice.
3. Appeal is filed by the Company against Central Sales Tax assessment order FY 2001-02 of Rs. 19,797/- by Sales Tax Officer Kolhapur, subject matter is pending before Dy Commissioner of Sales Tax (Appeals) (District authority Kolhapur) and matter sub-judice.

B. LITIGATIONS FILED BY OUR PROMOTER/S (OTHER THAN DIRECTORS):

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATION INVOLVING OUR GROUP COMPANIES

A. LITIGATIONS AGAINST OUR GROUP COMPANIES:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

B. LITIGATIONS FILED BY OUR GROUP COMPANIES:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATION INVOLVING OUR SUBSIDIARIES

A. LITIGATIONS AGAINST OUR SUBSIDIARIES:

1. CRIMINAL MATTERS:

Nil

2. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:

Nil

3. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

B. LITIGATIONS BY OUR SUBSIDIARIES:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter — “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 91 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO CREDITORS

Details of outstanding dues owed as at March 31, 2024 to MSMEs and other creditors are set out below.

| Creditors | Amount due (in Rs. Lakhs) |
|------------------|----------------------------------|
| MSMEs | 187.67 |
| Other Creditors | 5190.61 |

Annexure-1
Litigation Against Directors of our Company

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|---------------------------|------------------|-----------------------------------------|------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Sum Civil Suit No 15/2022 | 29-09-2022 | Nitin Madhukar Dhale | Shisir Shirgaonkar and S ors | Civil Judge Sr Division Jaysingpur | Summary civil suit filed under O. 37 of C.P.C. for recovery | Rs.3,64,446/- | An application for deletion of name of Mr Shishir S Shirgaonkar, being Non Executive director was filed . The said application was allowed by order on 6-10-2023 and plaintiff was directed to delete the name of Mr. Shishir Shirgaonkar from the plaint. |
| 2. | W.P. No. 6305/23 | 01-10-2019 | Maharashtra Technical Education Society | Shisir Shirgaonkar and S ors | Bombay High Court, Appellant Side | Interlocutory orders under CPC | N.A. | Pre-admission Next date- N.A. |
| 3. | M.C.A. 41/24 | 13-03-2024 | Rajeshwari Shrinivas Patil and ors | Chandan Sanjiv Shirgaonkar and ors | Sangli District and Sessions Court | O. 43 R.I(r)ofCPC appeal against order passed on interlocutory application by Trial Court on 21/2/2024 In case RCS 54/2023. The case is filed on the entire plot survey number, Not directly related to Chandan Shirgaonkar | Amount not Ascertainable | Awaiting Notice Next Date: 26-06-2024 |
| 4. | R.C. S. No. 54/23 | 01-02-2023 | Ajitprasad Shrikant Patil and ors | Chandan Sanjiv Shirgaonkar and ors | Civil Judge Jr Division, Sangli | Sec. 38, 39 and 34 of Specific relief Act seeking declaration and injunction Order Passed below Exh 5as under:- 1. Application at Exh 5 for Temporary injunction is allowed. 2. Deft nos. 1 to 3, their agents, servants or anybody claiming under them or on their behalf are hereby restrained from obstructing plaintiff's from their peaceful possession over | N.A. Amount not ascertainable | Argument of Exhibit Next date - 28-6-2024 |

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|---------------|------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------|
| | | | | | | <p>suit property 5 B, by any means.</p> <p>3. Parties to prefer separate application to communicate this court about any change In circumstances which may affect operation of this order, as provided In Rule 4 of order XXXIXCPC.</p> <p>4. The status quo granted by the order at Em. 23 dtd 9-2-2023 is hereby vacated.</p> <p>5. Parties to bear their own costs.</p> <p>The case is filed on the entire plot survey number, Not directly related to Chandan Shirgaonkar.</p> | | |
| 5. | C.C. 852/2021 | 07-04-2021 | The General Secretary Shri Bhaskar D Malage Factory workers union Cane Yard Area | Chandan Sanjeev Shirgaonkar and ors | J.M.F.C. Kagwad | Section 17A, 18, 19 and 29 of Industrial Dispute Act- Penalty for breach of settlement or award. | N.A. Amount not ascertainable Depends upon court orders In future | Awaiting orders Next date - 5-8-2024 |
| 6. | C.C.834/2021 | 3-4-2021 | The General Secretary Shri Bhaskar D Malage Factory Workers Union Cane Yard Area | Chandan Sanjeev Shirgaonkar and ors | J.M.F.C. Kagwad | Section 17A, 18, 19 and 29 of Industrial Dispute Act- Penalty for breach of settlement or award. | N.A. Amount not ascertainable Depends upon court orders In future | Awaiting orders Next date - 5-8-2024 |
| 7. | C.C. 209/2023 | 15-02-2023 | State of Karnataka as the instance of Sri. Venkatesh Rathod, Deputy Director of Factory, Division I, Belgavi | Chandan Shirgaonkar and anr | J.M.F.C. Kagwad | Prosecution under Section 92 of Factories Act. Maximum Penalty ofRs. 1,00,000/- The case IS for compliance with respect to upgrade safety standards | *Rs. 1,00,000/- | Plea Next Date 19-06-2024 |

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|------------------|------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------|
| 8. | Cri Misc 40/2023 | 18-03-2023 | The Deputy Labour Commissioner Represented By Labour Inspector Athani Circle Athani | Chandan S. Shirgaonkar | J.M.F.C. Kagwad | Claim under Sec. 20 (5) (b) under Minimum Wages Act. The case IS for delay in difference payment of wages and the penalty levied is Rs.1,76,372/- | *Rs. 1,76,372/- | Awaiting orders Next date 24-06-2024 |
| 9. | Cri Misc 43/2023 | 18-03-2023 | The Deputy Labour Commissioner Represented By Labour Inspector Athani Circle Athani | Chandan S. Shirgaonkar | J.M.F.C. Kagwad | Claim under Sec. 20 (5) (b) under Minimum Wages Act The case IS for delay in difference payment of wages and the penalty levied is Rs.1,30,098/- | *Rs. 1,30,098/- | Awaiting orders Next date 24-06-2024 |
| 10. | Cri Misc 44/2023 | 18-03-2023 | The Deputy Labour Commissioner Represented By Labour Inspector Athani Circle Athani | Chandan S. Shirgaonkar Managing Director M.S Ugar Sugar Works Ltd, Athani | J.M.F.C. Kagwad | Claim under Sec. 20 (5) (b) under Minimum Wages Act The case is for delay in difference payment of wages and penalty levied is Rs.2,07,574/- | *Rs.2,07,574/- | Awaiting orders Next date 24-06-2024 |
| 11. | Cri Misc 46/2023 | 18-03-2023 | The Deputy Labour Commissioner Represented By Labour Inspector Athani Circle Athani | Chandan S. Shirgaonkar | J.M.F.C. Kagwad | Claim under Sec. 20 (5) (b) under Minimum Wages Act The case is for delay in difference payment of wages and penalty levied is Rs. 6,60,484/- | *Rs. 6,60,484/- | Awaiting orders Next date 24-06-2024 |
| 12. | WP/105453/2023 | 29-08-2023 | Chandan S. Shirgaonkar | The Deputy Labour Commissioner Represented By Labour Inspector Athani Circle Athani | High Court of Karnataka, Dharwad Bench | Interim order of stay for the Cri Misc Case nom 46/2023 | *Rs. 6,60,484/- | Next date- N.A. The case is yet not on board |
| 13. | WP/105452/2023 | 29-08-2023 | Chandan S. Shirgaonkar | The Deputy Labour Commissioner Represented By Labour Inspector Athani Circle Athani | High Court of Karnataka, Dharwad Bench | Interim order of stay for the Cri Mise case no.43/2023 | *Rs. 1,30,098/- | Next date- N.A. The case is yet not on board |
| 14. | WP/105446/2023 | 29-08-2023 | Chandan S. Shirgaonkar | The Deputy Labour Commissioner Represented By Labour Inspector | High Court of Karnataka, Dharwad Bench | Interim order of stay for the Cri Mise case no.44/2023 | *Rs. 2,07,574/- | Preliminary hearing Next Date- N.A. The case is yet not on board |

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|------------------------|------------------|------------------------|-----------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | Athani Circle Athani | | | | |
| 15. | WP/105444 /2023 | 29-8-2023 | Chandan Shirgaonkar S. | The Deputy Labour Commissioner | High Court of Karnataka, Dharwad Bench | Interim order of stay for the Cri Mise case no. 40/2023 | *Rs.1,76,372/- | Preliminary hearing Next Date- N.A. The case is yet not on board |
| 16. | P.C.R. 58/2021 | 27-11-2021 | Chandan Shirgaonkar S. | Murlidhar Joshi | I.M.F.C. 1st Class Kagwad Court | Private complaint under Cr. P.C. Section 200. The affidavit is yet to be submitted in the court. | N.A. Amount not ascertainable depends upon court discretion on the order. | Sworn statement Next date 25-7-2024 |
| 17. | Sum Civil Suit 15/2022 | 29-09-2022 | Nitin Madhukar Dhale | Prabha Prakash Kulkarni and 8 ors | Civil Jude Senior Division Jaysingpur | Summary civil suit for recovery of money | Rs.3,64,446/- | An application for deletion of name of Mrs. Prabha Kulkarni, being Non Executive director was filed. The said application was allowed by order on 6-10-2023 and plaintiff was directed to delete the name of Mrs. Prabha from the plaint. |

Annexure- 2

Litigation Against our Promoter: S B RESHELLERS PRIVATE LIMITED/Niraj Shishir Shirgaonkar

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|------------------|------------------|------------------------------|-------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------|
| 1. | Comm. S. 14/2019 | 29-08-2018 | S.B. Reshellers Pvt Ltd | Bhupal Kallapa Magdum and ors | District and Sessions Court Kolhapur | Seeking declaration and injunction under Sec. 34 and 38 of Specific Relief Act Commercial Suit filed against Mr. Bhupal Magdum on account of circumvention. (Supply of machines to Co's customer without informing the Co.) | N.A. | Case management hearing Next Date 24-06-2024 |
| 2. | W.P. 14198/2022 | 19-11-2022 | Shantaram Reshellers Pvt Ltd | Prakash Kamare Babu | Bombay High Court | M.R.T.U and P.U.L.P. Act, 1971. Shantaram Resheilers filed appeal against the order dated 8/03/2017 passed by Labour Court Kolhapur In complaint ULP No 200/1995 | N.A. | Pre admission Next Date- N.A. |

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|-----------------------------|------------------|-------------------------|----------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------|
| | | | | | | allowing plea of Mr. Kamare and order to grant pay 50% salary to Mr. Kamare | | |
| 3. | Complaint ULP No. 173/2021. | 21-10-2021 | Prakash Bapu Kamare | S.B. Reshellers Pvt Ltd Unit 2 | Industrial Court Kolhapur | Complaint under Sec. 28 of M.R.T.U and P.U.L.P. Act S B Reshellers has terminated Mr. Kamare on account of habitual absentee. Mr. Kamare filed case against the said termination in Labour Court. An Order dated 8/3/2017 has been passed by the Labour Court in Complaint ULP No 200/1995 in favour of the Applicant i.e Prakash Bapu Kambre wherein the court has set aside the termination order and has directed reinstatement of the applicant with 50% back wages. In the present complaint ULP No. 173/2021 the Industrial Court has directed the respondent company to produce copies of salary slips from June 2020 to August 2022 by its order below Exh U 10 dtd 8-3-2023. | N.A. | Respondent's evidence Next date 12-6-2024 |
| 4. | W.P. 12081 /2013 | 26-09-2013 | Chandrashekar B hosale | Shantaram Reshellers Pvt Ltd | Bombay High Court | Industrial Disputes Act, 1947 Shantaram Reshellers has terminated Mr. C D Bhosale on account of habitual absent. Labour Court passed order in favor of Shantaram Reshellers. Civil WP filed by C.D. Bhosale against the said termination & court order | N.A. | Admitted and ready Next date - N.A. |
| 5. | W.P. 8991 /2015 | 17-06-2015 | Sudhkar Dinkar Joshi | Shantaram Reshellers Pvt Ltd | Bombay High Court | M.R.T.U and P.U.L.P. Act, 1971 Shantaram Reshellers has terminated Mr. S o Joshi on account of habitual absent. Labour Court passed order in favor of Shantaram Reshellers. Civil WP filed by S D Joshi against the said termination & court order | N.A. | Admitted and ready Next date - N.A. |
| 6. | S.C.C. No. 203/2022 | 6-1-2022 | S.B. Reshellers Pvt Ltd | Sachin Sapale | J.M.F.C. Kolhapur | Cheque bounce case under section 138 of N.I. Act | Rs. 55,000/- | Bailable warrant ready Next date 14-6-2024 |
| 7. | Spl C.S No. 385/2023 | 6-6-2023 | S.B. Reshellers Pvt Ltd | Sayan Vibhag Sahakari Khad Udyog Mandai Ltd and 4 others | Civil Court Sr. Division Kolhapur | C.P.C Order 7 Rule 2. Recovery of Money. | Rs. 7,67,000/- | Filing of say on Exhibit Next date - 15-6-2024 |
| 8. | C.C. | 3-4-2021 | The General | Niraj Shishir | J.M.F.C. | Section 17 A, 18, 19 and 29 of Industrial | N.A. | Awaiting |

| Sr. No. | Case No. | Institution Date | Plaintiff | Respondent | Court | Subject Matter and Relief Sought | Amount Involved | Current Status |
|---------|---------------|------------------|-------------------------------------------------------------------------------------|-----------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------|
| | 834/2021 | | Secretary Shri Bhaskar D Malage Factory Workers Union Cane Yard Area | Shirgaonkar and ors | Kagwad | Dispute Act- Penalty for breach of settlement or award. The dispute between factory workers union and company regarding dispute on the certain clause of agreement dated 30-01-2002 wherein exact amount cant be identified or calculated. Amount is depending upon court order in future. | The amount is not ascertainable as it depends upon court order in future | orders Next date- 5-8-2024 |
| 9. | C.C. 852/2021 | 7-4-2021 | The General Secretary Shri Bhaskar D Malage Factory Workers Union Cane Yard Area | Niraj Shishir Shirgaonkar and ors | J.M.F.C. Kagal | Section 17 A, 18, 19 and 29 of Industrial Dispute Act- Penalty for breach of settlement or award. The dispute between factory workers union and company regarding dispute on the certain clause of agreement dated 30-01-2002 wherein exact amount cant be identified or calculated. Amount is depending upon court order in future. | N.A. The amount is not ascertainable as it depends upon court order in future | Awaiting orders Next date- 5-8-2024 |

*Amount Depends upon final court order.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to present business activities (as applicable on the date of this Information Memorandum) and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Information Memorandum.

The object clauses of the Memorandum of Association of Our Company enable us to carry out its activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

- **Approvals For Right Issue :**

- a. The Board has approved the said issue in its meeting held on March 14, 2024.

- **APPROVALS /LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS:**

| S No. | Nature Of License/Approval | Registration/ License No. | Issuing Authority | Date of Granting License/Approval | Validity |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|-----------------------------------|-----------------------|
| A. Approvals Pertaining to Incorporation, Name and Constitution of Our Company: | | | | | |
| 1. | Original Certificate of Incorporation in the name of 'Synergy Green Industries Private Limited' | U27100PN2010PTC137493 | Registrar of Companies, Maharashtra, Pune | October 8, 2010 | One Time registration |
| 2. | Fresh Certificate of Incorporation consequent upon change of name of our company, due to conversion of the Company into Public Limited Company, from 'Synergy Green Industries Private Limited' to 'Synergy Green Industries Limited' | U27100PN2010PLC137493 | Registrar of Companies, Pune | February 16, 2018 | One Time registration |
| 3. | MCA date updated in master data of Company due to listing of Company on Stock exchange. | L27100PN2010PLC137493 | Registrar of Companies, Pune | October 19, 2019 | One Time registration |
| B. Taxation Related Approvals | | | | | |
| 1. | Permanent Account Number (PAN) | AAOCS8603A | Income Tax Department | October 8, 2010 | One Time registration |
| 2. | Tax Deduction Account Number (TAN) | KLPS08450B | Income Tax Department | October 28, 2010 | One Time Registration |
| 3. | Tax Payer Identification Number (TIN) (Central) Certificate of Registration under The Central Sales Tax (Registration & Turnover) Rules, 1957 Principal Place of Business: C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur- 416 216, Maharashtra, India Address of additional place of business: 392 E Ward, Shahupuri, Assembly Road, Karvir, Kolhapur-418001, Maharashtra, India | 27070822421C | Sales Tax Officer, Kolhapur | March 23, 2011 | One Time Registration |

| S No. | Nature Of License/Approval | Registration/ License No. | Issuing Authority | Date of Granting License/Approval | Validity |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------------|--------------------------------------------------------------------|-----------------------|
| 4. | Tax Payer Identification Number (TIN) Certificate of Registration under Maharashtra Value Added Tax Act, 2002 Principal Place of Business: C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur- 416 216, Maharashtra, India Address of additional place of business: 392 E Ward, Shahupuri, Assembly Road, Karvir, Kolhapur-418001, Maharashtra, India | 27070822421V | Sales Tax Officer, Kolhapur | March 23, 2011 | One Time Registration |
| 5. | Registration Certificate under Central Excise Rules, 2002 | AAOCS8603A EM001 | Assistant Commissioner, Central Excise, Kolhapur-I, Division | April 19, 2011 | One Time Registration |
| 6. | Service Tax Registration Number under Chapter V of the Finance Act read with Service Tax Rules, 1994 | AAOCS8603 ASD001 | Central Excise Officer, Kolhapur I, Division | Original Issue Date: May 27, 2011 Amendment Date: June 23, 2014 | One Time Registration |
| 7. | Certificate of Registration under GST(GSTIN) Principal Place of Business: C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur-416216 Address of additional place of business: 1. C16, S B Reshellers Pvt Ltd Unit II, Gokulshirgaon, Karveer, Kolhapur, Maharashtra, 416234 2. 2 Plot No C-15 and C-16, Five Star MIDC Kagal, Kolhapur, Kolhapur, Maharashtra, 416236 3. 3 392 E ward, Shahupuri, Kolhapur, Kolhapur, Maharashtra, 416001 4. 4 Village Sayane Bk, Tahasil Malegaon, District Nashik, Gat Number 232, Village Sayane Bk, Tahasil Malegaon, District Nashik, Malegaon, Nashik, Maharashtra, 423203 5. Village Sayane Bk, Tahasil Malegaon, District Nashik, Gat Number 234, Village Sayane Bk, Tahasil Malegaon, District Nashik, Malegaon, Nashik, Maharashtra, 423203 | 27AAOCS8603A1ZD | The Maharashtra Goods and Services Tax Act, 2017 | July 01, 2017 | One Time Registration |
| 8. | Professional Tax Registration Certificate (PTRC) under Maharashtra State Tax on professional, Trades, Callings and Employments Act, 1975 Principal Place of Business: C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur- 416 216, Maharashtra, India Address of additional place of business: 392 E Ward, Shahupuri, Assembly Road, Karvir, Kolhapur-418001, Maharashtra, India | 27070822421 P | Professional Tax Officer, KOL-PTO-C-001, Kolhapur | October 15, 2011 | One Time Registration |
| 9. | Professional Tax Enrolment Certificate (PTEC) under Maharashtra State Tax on | 99641877783 P | Profession Tax Officer, Kolkata | October 15, 2011 | One Time Registration |

| S No. | Nature Of License/Approval | Registration/ License No. | Issuing Authority | Date of Granting License/Approval | Validity |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------|
| | professional, Trades , Callings and Employments Act, 1975 | | Central Range | | |
| C. Business Related Approvals | | | | | |
| 1. | Registration under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 | Establishment Code: M.H./KP/103 981 | Assistant Provident Fund Commissioner, Maharashtra | February 28, 2012 With effect from January 1, 2012 | One Time Registration |
| 2. | Registration under Employees' State Insurance Act, 1948 | 33000491030 000 606 Principal Employer: V Srinivasa Reddy Number of Employees:143 | Asst./Dy. Director, Employees' State Insurance Corporation | August 14, 2016 | One Time Registration |
| 3. | Certificate of Importer Exporter Code (IEC) Principal Place of Business: 392 E Ward, Shahupuri, Assembly Road, Karvir, Kolhapur-418001, Maharashtra, India Address of Branch: C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur- 416216, Maharashtra, India | 3110020351 | Assistant Director General of Foreign Trade | January 14, 2011 Modified/ Renewed on April 13, 2024 | One Time Registration |
| 5. | Secretarial for Industrial Approval Registration (SIA) | 95/IIM/PRO D/20 13 Installed Capacity: 12000 Metric tonnes per annum | Under Secretary to the Government of India, Ministry of Commerce & Industry | March 19, 2013 | One Time Registration |
| 6. | Industrial Entrepreneur Memorandum | 1957/SIA/IM O/2 011 Purpose: Engineering Casting | Under Secretary, Ministry of Commerce and Industry | June 17, 2011 | One Time Registration |
| 7. | Government of India, Ministry of Micro, Small and Medium Enterprises | UDYAM-MH-15- 0012066 | Ministry of Micro, Small and Medium Enterprises | December 05, 2020 | One Time Registration |
| 8. | License under the Contract Labour (Regulation & Abolition) Act, 1970 | 16312007100 01612 Number of Contractor:16 Number of Contract Labour: 545 | Registering Officer under Contract Labour (Regulation & Abolition) Act, 1970 | Original Date: April 20, 2012 | December 31, 2024 |
| 9. | Consent of Renewal under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and authorisation under Rule 5 of the Hazardous Wastes (MH &TM) Rules, 2008 | Consent Order No.: 0000166519/CR /2311000435 | Member Secretary, Maharashtra State Pollution Control Board | November 06, 2023 | May 31, 2025 |

| S No. | Nature Of License/Approval | Registration/License No. | Issuing Authority | Date of Granting License/Approval | Validity |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------|-----------------------------------|-------------------|
| 10. | Final No-Objection Certificate for premises at C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur- 416216, Maharashtra, India | NOC No.: MIDC/Fire/A76099 | Maharashtra Industrial Development Corporation | March 03, 2022 | NA |
| 11. | Factories License under Factories Act, 1948 for premises at C-18, Five Star Industrial Area, Kagal, Hatkanangle, Kolhapur- 416216, Maharashtra | 113002431900830 | | November 24, 2023 | December 31, 2024 |



• **CERTIFICATES**

| S No. | Nature Of License/Approval | Registration/License No. | Issuing Authority | Date Of Granting License/Approval | Validity |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|------------------|
| 1. | Registration cum Membership Certificate | RCMCRENEWFIEO00072565AM24 | Deputy Director, Federation of Indian Export Organisations | February 02, 2024 | March 31, 2025 |
| 2. | Certificate for ISO 9001:2015 in accordance for manufacture of Graded Grey Iron, Spheroidal Graphite Iron and Steel Castings and Machined Components for Non-Automotive and Industrial Applications | Certificate Registration Number: 44100133249 Audit Report: 2.5-5853/2012 | TUV NORD CERT GmbH | Initial Certification: February 4, 2013 Renewed on: 04/02/2022 | February 3, 2025 |
| 3. | Certificate for | Certificate Registration Number: 4410418391851 Audit Report: 2.5-8363/2018 | TUV NORD CERT GmbH | Initial Certification: July 18, 2018. Renewed on 29/08/2021 | July 17, 2024 |
| 4. | Certificate for | Certificate Registration Number: 4412618391851 Audit Report: 2.5-8363/2018 | TUV NORD CERT GmbH | Initial Certification: 18/07/2018 Renewed On- 29/08/2021 | July 17, 2024 |
| 5. | Certificate for ISO 27001:2022 in accordance for Manufacture of Graded Grey Iron, Spheroidal Graphite Iron and Steel Casting and Machined Components along with support functions QA, HR, Admin, IT, Purchase and Marketing as per the | Certificate Registration Number: 44 121 24394824 Audit Report: 2.5-11528/2023 | TUV NORD CERT GmbH | 20.02.2024 | 19.02.2027 |

| | | | | |
|------------------------------------------------------|--|--|--|--|
| Statement of Applicability of 17.05.2023 Version 1.0 | | | | |
|------------------------------------------------------|--|--|--|--|

• **APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS:**

Trademark/Logo:

| Sr No | Logo/Trademark | Registration / Application | Class | Registration/Application Date | Status/Validity |
|-------|-----------------------------------------------------------------------------------|----------------------------------------|-------|-------------------------------|-----------------|
| 1. |  | 2211400 Certificate No.: 1225548 | 06 | September 26, 2011 | Registered |
| 2. |  | 3765727 | 06 | February 27, 2018 | Registered |

WEBSITE DETAILS:

| S. No. | Domain Name and ID | Registrar | Creation Date | Registration Expiry Date |
|--------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| 1. | Domain Name: SYNERGYGREENIND.COM Registry Domain ID: 1630380148_DOMAIN_COMVRSN | Registrar : PDR Ltd. d/b/a PublicDomainRegistry.com IANA ID: 303 | December 15, 2020 | December 15, 2029 |

The Company has its business located at:

Registered Office: 392 E Ward Shahupuri, Kolhapur, Maharashtra, India, 416001

Manufacturing Units:

Plot No.C-18, Five Star, MIDC, Kagal, Kolhapur 416216, Maharashtra, India

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act 2013, by a resolution passed at its meeting held on March 14, 2024, authorized the Issue and such other authorities as may be necessary.

In- principle approval from the Stock Exchange

Our Company has obtained an In-principle approval from the NSE and BSE for listing our Equity Shares via right issue through the Letter dated [●].

SECTION – IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THIS ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on March 14, 2024 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share), in the ratio of [●] Equity Shares for every [●] Equity Share as held on the Record Date. The Issue Price of ₹ [●] per Equity Share has been arrived at prior to determination of the Record Date.

Our company has received “**In-Principle Approval**” from NSE and BSE Limited vide their letters dated [●] in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will make application to NSE and BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 120 of the Draft Letter of Offer.

ASSOCIATION OF OUR DIRECTORS WITH SECURITIES MARKET

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

PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

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

None of our Directors or Promoters is associated with the securities market in any manner.

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

PROHIBITION BY RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

COMPLIANCE WITH COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Draft Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on National Stock Exchange of India Limited (NSE) and BSE Limited. Our Company undertakes to make an application to National Stock Exchange of India Limited (NSE) and BSE Limited for listing of the Rights Equity Shares to be issued pursuant to this Issue.

COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges to receive its “**In-Principle Approvals**” for listing of the Rights Equity Shares to be issued pursuant to this Issue. National Stock Exchange of India Limited is the Designated Stock Exchange for this Issue.

COMPLIANCE WITH PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below.

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange.
2. The reports, statements and information referred to above are available on the websites of National Stock Exchange of India (NSE) and BSE Limited; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue will not exceed Rs. 5,000.00 Lakhs, however the final letter of offer will be filed with SEBI for dissemination purpose-

DISCLAIMER FROM OUR COMPANY AND OUR DIRECTORS

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

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

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Kolhapur, India only.

DISCLAIMER CLAUSE OF NSE AND BSE

As required, a copy of the Draft Letter of Offer has been submitted to the NSE and BSE. The Disclaimer Clause as intimated by NSE and BSE to us, post scrutiny of the Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the SEBI and the stock exchange.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of the Issue is National Stock Exchange of India Limited(NSE).

LISTING

Our Company will apply to NSE and BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

SELLING RESTRICTIONS

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of

the, Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI, BSE and NSE.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANYTIME.

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

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America;(ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS ASSOCIATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO ANY OTHER JURISDICTION AT ANYTIME.

CONSENTS

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor, Bankers to the Company, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn upto the date of this Draft Letter of Offer.

Our Company has received written consent from our Statutory Auditor, namely, M/s. DAB & Associates, Chartered Accountants to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated April 28, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

EXPERT OPINION

Our Company has received written consent dated April 28, 2024 from our Statutory Auditor, namely, M/s. DAB & Associates, Chartered Accountants to include their name as required in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its statement of tax benefits dated April 28, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the above-mentioned documents, provided by M/s. DAB & Associate, Chartered Accountants, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer.

There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

PERFORMANCE VIS-À-VIS OBJECTS – LAST ISSUE OF LISTED SUBSIDIARIES OR ASSOCIATES

As of the date of this Draft Letter of Offer, our Company have no subsidiary or associate company.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on NSE and BSE. For details in connection with the stock market data of the Stock Exchanges, please see archive data on the website of the exchanges i.e. www.nseindia.com and www.bseindia.com.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with NSE and BSE and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with NSE and BSE.

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this Draft Letter of Offer, there were no outstanding Investor complaints. As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 15 (Fifteen) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor 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.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023. Consequently, investor grievances are tracked online by our Company.

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. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked, 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 photo copy of the acknowledgement slip. For details on the ASBA process see "*Terms of the Issue*" beginning on page 120. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investor Grievances arising out of this Issue Investors may contact the Registrar to the Issue at

Registrar to the Issue

LINK INTIME INDIA PRIVATE LIMITED

Address: C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra , India

Contact person: Ms. Shanti Gopalakrishnan

Tel: +91 810 811 4949

E-mail ID: synergygreen.rights@linkintime.co.in

Website: www.linkintime.co.in

SEBI registration number: INR000004058

Investor grievance e-mail: synergygreen.rights@linkintime.co.in

CIN: U67190MH1999PTC118368

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment/share certificates/demat credit/Refund Orders etc.

Mr. Nilesh Mohan Mankar

Company Secretary and Compliance Officer

SYNERGY GREEN INDUSTRIES LIMITED

Address: 392 E Ward Shahupuri, Kolhapur-416001, Maharashtra, India

Email Id: nmm@synergygreenind.com

Contact Number: +91 0231 2658375

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI.

The Company has not filed or submitted any application to SEBI for Exemption from complying with any provisions of Securities.

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of the Draft Letter of offer, there were NIL outstanding investor complaints.

CHANGES IN AUDITORS DURING THE LAST THREE YEARS:

Except as disclosed below, there have been no changes in our statutory auditors during the last three years preceding the date of this Draft Letter of Offer:

| Particulars | Date of change | Reasons for change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------|
| M/s P. G. Bhagwat LLP., Chartered Accountants Address: C. S. No. 221, B-1, E Ward, Rajhans Apartment, 2nd Floor, Flat No. S-6, Tarabai Park, Kolhapur - 416 003 E Mail: Akshay_kotkar@pgbhagwatca.com Telephone: +(0231) - 2659546 FRN: 101118W/W100682 | 28/09/2021 | Due to Completion of Term |
| M/s DAB & Associates, Chartered Accountants Address: C. S. No. 221, B-1, E Ward, Rajhans Apartment, 2nd Floor, Flat No. S-6, Tarabai Park, Kolhapur - 416 003 E Mail: guruprasad_bobhate@dabassociates.in Telephone: (0231) - 2659546 FRN: 101119W | 28/09/2021 | Appointment as Statutory Auditors |

SECTION X – ISSUE RELATED INFORMATION

TERMS OF ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

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

Important:

1) DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched at least three days before the Issue Opening Date to the Eligible Equity Shareholders who have provided their 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 such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.synergygreenind.com
- b) The Registrar to the Issue at www.linkintime.co.in
- c) The Stock Exchange at www.nseindia.com & www.bseindia.com

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

Further, our Company 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.

Please note that neither our Company nor the Registrar shall be responsible for non- dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e- mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer, Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

2) FACILITIES FOR APPLICATION IN THIS ISSUE:

IN ACCORDANCE WITH REGULATION 76 OF THE SEBI ICDR REGULATIONS, THE SEBI RIGHTS ISSUE CIRCULARS AND THE ASBA CIRCULARS, ALL INVESTORS DESIRING TO MAKE AN APPLICATION IN THE 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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 120.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the 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 apply for the Rights Equity Shares by 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

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 “- Grounds for Technical Rejection” on the beginning of the chapter “Terms of the Issue” page 120. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the 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 the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” in the Beginning of the chapter “Terms of the Issue” on page 120.

- **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company a www.synergygreenind.com Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

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

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

- **Making of an Application through the ASBA process**

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing 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 and have 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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such 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 the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, 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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's:

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.
- c) 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.
- d) 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.
- e) 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 Form and have signed the same.
- f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) 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.
- h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts:

- a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c) Do not send your physical Application to the Registrar, 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.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e) Do not submit Application Form using third party ASBA account.
- f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- g) Do not submit multiple Applications.

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process:**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source, may make an Application that is available on the website of the Registrar, Stock Exchanges, along with the requisite Application Money, to subscribe to the Issue on plain paper with the same details as per the Application Form that is available online. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing 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 Eligible Equity Shareholder who has not provided an Indian address.

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/her 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 Synergy Green Industries Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
4. 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 Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] per Rights Equity share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorizations 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. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set shall include the following:

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

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

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

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, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- **Making of an 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 dematerialized 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 the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear 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 Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, 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.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "Terms of the issue- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" in the beginning of the chapter "Terms of the Issue" on page 120.

In accordance with the SEBI circular bearing reference no. SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, Resident Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, 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, AS APPLICABLE.

Application for 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 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 finalized 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 as set out in "Terms of the issue- Basis of Allotment" on page 120.

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.

Additional general instructions for Investors in relation to making of an Application

- 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. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this, Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “Terms of the issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 120.
- d) 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 authorizing 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.
- e) Applications should not be submitted to the Banker(s) to the Issue or our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application.

Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of 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.

- j) Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- m) 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.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Do not pay the Application Money in cash, by money order, pay order or postal order.
- q) Do not submit multiple Applications
- r) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- s) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.
- u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- **Grounds for Technical Rejection**

Applications made in the Issue are liable to be rejected on the following grounds:

- a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.
- s) Applicants not having the requisite approvals to make application in the Issue.
- t) IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.
- u) 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.

- v) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- w) The Allotment Advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- x) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

- **Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, 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, as applicable, and such Applications shall not be treated as multiple applications. Further, supplementary applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “Terms of the issue - Procedure for Applications by Mutual Funds” on page 120.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter or any member of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in “General Information – Minimum Subscription” on page 3.

Underwriting:

The Issue is underwritten.

- **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 or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. 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 (iv) compliance with other conditions as may be prescribed by SEBI.

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

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

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

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 the Issue. Further, 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 the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCsBs that are providing ASBA in cities/ centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lacs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lacs.

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 the 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, provided that 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 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or

exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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

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

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange 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 Equity Shares hereby offered, as set out in "Terms of the Issue- Basis of Allotment" on page 120.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. 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 four 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 Common Application Form carefully.

3) CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS:

• Rights Entitlements

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

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity

Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.synergycgreenind.com)

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of 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; or
- f) the ownership of the Equity Shares under dispute, including any court proceedings, as applicable
- g) Non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN 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.

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

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date.

No Rights 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 Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, 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 clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (i.e. www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

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

4) RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- **Renounees**

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

- **Renunciation of Rights Entitlements**

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

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, 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, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders 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 (the “**On Market Renunciation**”); or (b) through an off market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/ lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

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

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

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 Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company

will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited as well as National Stock Exchange of India Limited under automatic order matching mechanism and on 'T+1 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 Eligible Equity Shareholders 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 to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

5) MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

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 in this Draft Letter of Offer.

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(s) which shall be a separate bank account maintained by our Company in accordance with 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.

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

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at Office C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai -400083,

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Nonresident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see "Disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page 120

6) BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription 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, as applicable, at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “The Issue” beginning on page 29.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

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

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR 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 the 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 the 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 National Stock Exchange of India Limited through letter bearing reference number [●] dated [●] & From BSE Limited through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE Limited (Scrip Symbol: SGIL) & on National Stock Exchange of India Limited (Symbol: SGIL) under the ISIN: [●]. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

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

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 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 the Issue by our Promoters and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “Capital Structure – Intention and extent of participation by the Promoter and the Promoter Group” on page 35.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to receive surplus on liquidation;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/ restricted by law and as disclosed in this Draft Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

7) TERMS OF PAYMENT

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

8) GENERAL TERMS OF THE ISSUE

- **Market Lot**
The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialized 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 Equity Shares offered in the Issue.
- **Nomination**
Nomination facility is available in respect of the 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 Equity Shares to be allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**
The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one 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 LODR 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 the SEBI Rights Issue Circulars, and MCA General Circular No. 21/2020 dated May 11, 2020, our Company will send through email and speed post, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically 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 a Marathi language daily newspaper (Marathi being the regional language in the place where our Registered Office is located).

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

- **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out there in (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 RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/ Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, 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 [●]. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by 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.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “TERMS OF THE ISSUE- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 120.

9) ISSUE SCHEDULE

| | |
|---------------------------------------------------------------|-----|
| LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS | [●] |
| ISSUE OPENING DATE | [●] |
| LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS # | [●] |
| ISSUE CLOSING DATE* | [●] |
| FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF CREDIT (ON OR ABOUT) | [●] |
| DATE OF LISTING (ON OR ABOUT) | [●] |

#Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees 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 applicable, 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 clear Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

10) BASIS OF ALLOTMENT

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

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights 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 the 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 the Issue and will not be a preferential allotment.
- d) Allotment to Renounees 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 the Issue and will not be a preferential allotment.

- e) Allotment to any other person, subject to applicable laws, 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 the Issue, along with:

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

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

11) ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment Advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; 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, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking 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 Rights Equity Shares in the Issue 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 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.

12) 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 RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("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 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 Banker(s) 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 favour 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.

13) ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated June 06, 2018 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated June 05, 2018 amongst our Company, CDSL and the Registrar to the Issue

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS 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 the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment Advice, refund order (if any) would be sent 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, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

14) IMPERSONATION

As a matter of abundant caution, Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.” The liability prescribed under Section 447 of the Companies Act, 2013 any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

15) UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

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

16) UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the 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 the period prescribed by SEBI.
3. The funds required for 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 Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund/ unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
7. Adequate arrangements shall be made to collect all ASBA Applications.
8. As on date our Company does not have any convertible debt instruments.
9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
10. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

17) INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

Investors may contact the Registrar to the Issue 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 Issue 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, please refer to the section titled 'Terms of the Issue' beginning on page 120 of this Draft Letter of Offer

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy 1991, of the Government of India and FEMA. While the Industrial Policy 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents enlisted below may be inspected online, on website of the company on www.synergygreenind.com and physically at the registered office of our Company between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Draft Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

1. Registrar Agreement dated March 13, 2018 between our Company and Registrar to the Issue (Link Intime India Pvt. Ltd.).
2. Banker to the Issue Agreement dated [●] between our Company, [●], and Registrar to the Issue.
3. Tripartite Agreement dated June 05, 2018 among CDSL, the Company and the Registrar to the Issue.
4. Tripartite Agreement dated June 06, 2018 among NDSL, the Company and the Registrar to the Issue.

B. DOCUMENTS FOR INSPECTION

1. Certified True Copy of Amended Memorandum & Articles of Association of our Company.
2. Certificate of Incorporation dated October 08, 2010 issued by the Registrar of Companies, Pune.
3. Certificate of Incorporation dated February 16, 2018 issued by the Registrar of Companies, Maharashtra Pune consequent upon Conversion of the Company to Public Company.
4. Resolution of the Board of Directors under section 62 of Companies Act, 2013 passed in its meeting dated March 14, 2024 authorising the Issue.
5. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditors, Legal Advisor to the Issue, and Registrar to the Issue [●] and [●] to include their names in this Draft Letter of Offer to act in their respective capacities.
6. Annual report of our Company including Audit Report for the financial year ended March 31, 2021 and March 31, 2022 & March 31, 2023.
7. A statement of possible special tax benefits dated [●] received from M/s DAB & Associates Statutory auditor of the company, regarding possible special tax benefits available to our Company and shareholders.
8. In-principle listing approval dated [●] from BSE Limited & [●] National Stock Exchange of India Limited vide their letter bearing reference number under Regulation 28(1) of the SEBI Listing Regulation.

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

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

**Sd/-
Sachin Rajendra Shirgaokar
Chairman & Managing Director
DIN: 00254442**

Place: Maharashtra
Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Sohan Sanjeev Shirgaokar

Joint Managing Director

DIN: 00217631

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Vendavagali Reddy Srinivasa

Whole Time Director

DIN: 03425960

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Shishir Suresh Shirgaokar

Non-Executive Director

DIN: 00166189

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Chandan Sanjeev Shirgaokar

Non-Executive Director

DIN: 00208200

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Meyyappan Shanmugam

Independent Director

DIN: 00079844

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Subhash Gundappa Kutte

Independent Director

DIN: 00233322

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Mallappa Rachappa Desai

Independent Director

DIN: 01625500

Place: Karnataka

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Prabha Prakash Kulkarni

Independent Director

DIN: 00053598

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Dattaram Pandurang Kamat

Independent Director

DIN: 02081844

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Pratik Pradipkumar Dukande

CFO

Place: Maharashtra

Date: May 22, 2024

DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors of Our Company:

Sd/-

Nilesh Mohan Mankar

Company Secretary and Compliance officer

Place: Maharashtra

Date: May 22, 2024