

SHREE WORSTEX LIMITED

Regd. Off. : 325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, Delhi-110085
Phone : 9315202833, E-mail : shreeworstex@gmail.com
Website : www.shreeworstex.in, CIN : L17111DL1982PLC013790

March 26, 2021

To,

Department of Corporate Relations BSE Limited P. J. Towers, Dalal Street Mumbai-400 001	Metropolitan Stock Exchange of India Limited 4 th Floor, Vibgyor Towers, Bandra Kurla Complex, Bandra East, Mumbai – 400 098
Scrip Code: 541358	Symbol: SHWL

Dear Sir/Madam,

Sub: Outcome of the meeting of Audit Committee of the Company


The Audit Committee of the Board of the directors of the company met today with regard to the disclosure under Regulation 7(2) of PIT Regulation, 2015 filed by the Compliance Officer, Mrs Tripti Rani, with BSE (**BSE Limited**) and MSEI (**Metropolitan Stock Exchange of India Limited**) on 25/03/2021 .

In terms of the discussion of the Audit Committee, the relevant extracts of the Minutes of which are enclosed as **Annexure-1** to this letter, the audit committee has recommended the said notice be retracted and your exchange is requested not to take the said notice on your records as the contents of the said notice are incorrect and infructuous .

Kindly take this letter on your record .

Thanking You,
Yours faithfully,

For Shree Worstex Limited


Pawan Kumar Mittal
(Director)
DIN: 00749265



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RELEVANT EXTRACTS OF THE MINUTES OF THE MEETING OF THE MEMBERS OF AUDIT COMMITTEE OF SHREE WORSTEX LIMITED HELD ON FRIDAY, 26TH MARCH, 2021 AT 04:00 P.M. AND CONCLUDED AT 07:45 PM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 325, IIIRD FLOOR, AGGARWAL PLAZA, SECTOR- 14, ROHINI, NEW DELHI-110085

The Members of the Audit Committee took on record the notice for convening the Audit Committee Meeting at a Shorter Notice and gave their assent to conduct the meeting of the members of the Audit Committee at a shorter notice.

Thereafter the Chairman of the Committee placed before the Members the Agenda of the meeting and elaborated upon the exigency of calling the meeting of the Members of the Audit Committee at a shorter notice.

As per the contents of the notice, the Members of the Audit Committee noted that the Compliance Officer Mrs. Tripti Rani had inferred that Mrs. Lalita Mittal, a Public Shareholder, was a member of the Promoter Group and had undertaken trading in the shares of the Company on January 29, 2021. Further the Compliance Officer had also inferred that as per the requirements of Regulation 7(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended ("PIT Regulations"), Mrs. Lalita Mittal was under an obligation to make disclosure regarding the trading in the said shares as the limit breached the threshold provided under the said regulation.

Before proceeding further, the Chairman was of the opinion that since the alleged non-compliance was of a serious nature it would be prudent to verify the merits of the agenda read with a disclosure with regard to the said issue made by the Compliance Officer, Mrs. Tripti Rani on March 25, 2021 to BSE Limited and the Metropolitan Stock Exchange of India Limited.

The Chairman placed on record the relevant provisions of the PIT Regulations which as per the views of the Compliance Officer, Mrs. Tripti Rani, Mrs. Lalita Mittal a public shareholder of the Company had violated:

Regulation 7(2) Continual Disclosures.

(a). Every promoter, member of the promoter group, designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;



(b). Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

(c) The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time.

Upon reading of the above provision, it is clear that disclosure requirements provided under Regulation 7(2) of the PIT Regulations are applicable on the following:

- a. Every Promoter
- b. Member of Promoter Group
- c. Designated Person and
- d. Every Director

The Audit Committee Members thereafter analysed position of Mrs. Lalita Mittal to ascertain the applicability of provisions of Regulation 7(2) on her. The following conclusion was drawn by the Members of the Audit Committee:

A. EVERY PROMOTER – In terms of definition of Promoter mentioned under Regulation 2(oo) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“ICDR Regulations”):

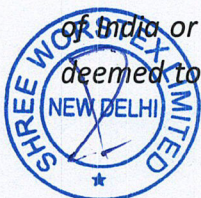
“promoter” shall include a person:

- i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or*
- ii) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; or*
- iii) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act:*

Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity;

Provided further that a financial institution, scheduled commercial bank, foreign portfolio investor other than individuals, corporate bodies and family offices, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority

of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty per cent. or more of



the equity share capital of the issuer is held by such person unless such person satisfy other requirements prescribed under these regulations;

In this regard it may be noted that:

1. As per the Shareholding Pattern filed by the Company with BSE Limited and Metropolitan Stock Exchange of India Limited, and as per the extracts of the annual return (MGT-9), as reproduced in the Annual Report of the Company the following are classified as the Promoters of the Company:
 - a. Mr. Pawan Kumar Mittal
 - b. Mrs. Kiran Mittal
 - c. M/s Rita Finance and Leasing Limited.

Since name of Mrs. Lalita Mittal has not been provided under the documents as referred to above, she is not a promoter within the meaning of clause (i) of Regulation 2(oo) of ICDR Regulations.

2. As per the data available on the website of Ministry of Corporate Affairs, following persons are on the Board of Directors of the Company:

Name	Designation
Pawan Kumar Mittal	Director
Kiran Mittal	Director
Jitendra Kumar Agarwal	Director
Pankaj Kapoor	Director
Avinash Sharma	Director
Nidhi Marwaha	CFO(KMP)
Nidhi Marwaha	CEO(KMP)
Tripti Rani	Company Secretary

It was further noted that Mr. Pawan Kumar Mittal, Promoter Director and Mrs. Kiran Mittal, Promoter Director, along with M/s Rita Holdings Limited, an entity classified as Promoter, collectively hold 71.86% of the Equity Share Capital of the Company, thereby exercising control over the affairs of the Company.

However, prior to disposal of shares by Mrs. Lalita Mittal, she held 1,00,00 Equity Shares of the Company representing 3.18% of the Equity Share Capital of the Company and Mrs. Lalita Mittal is also not represented on the Board of Directors of the Company.



In view of the foregoing explanation, Mrs. Lalita Mittal is not a promoter within the meaning of clause (ii) of Regulation 2(oo) of ICDR Regulations.

3. As regards clause (iii) of Regulation 2(oo) of ICDR Regulations, wherein Promoter includes a person in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act, the Members of the Audit Committee could not find any evidence to establish that the Board of Directors of the Company is accustomed to act in accordance with advice, directions or instructions of Mrs. Lalita Mittal.

In view of the foregoing explanation, Mrs. Lalita Mittal is not a promoter within the meaning of clause (iii) of Regulation 2(oo) of ICDR Regulations.

CONCLUSION OF A.:

In terms of the explanations provided in the foregoing paragraphs, Mrs. Lalita Mittal is not a Promoter of the Company.

- B. **MEMBER OF PROMOTER GROUP** – In terms of definition of Promoter mentioned under Regulation 2(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“ICDR Regulations”):

(pp) “**promoter group**” includes:

i) the promoter;

ii) an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and

iii) in case promoter is a body corporate:

A) a subsidiary or holding company of such body corporate;

B) any body corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty per cent. or more of the equity share capital of the promoter;

C) any body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty per cent. or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty per cent. or more of the equity share capital of the issuer and are also acting in concert; and

iv) in case the promoter is an individual:

A) any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;

B) any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and

C) any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;



v) all persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

In this regard it may be noted that:

1. As per the explanation provided under foregoing paragraphs, Mrs. Lalita Mittal is not a Promoter of the Company within the meaning of clause (i) of Regulation 2(pp) of ICDR Regulations.
2. As per clause (ii) of Regulation 2(pp) of ICDR Regulations, following immediate relatives are considered to be part of Promoter Group:
 - i. spouse of that person,
 - ii. any parent,
 - iii. brother,
 - iv. sister
 - v. child of the person or of the spouse

According to the explanations mentioned above, following are the natural persons forming part of the Promoters Group:

A. In relation to Mr. Pawan Kumar Mittal:

S. No.	Name	Relationship with Promoter
1.	Kiran Mittal	Spouse
2.	Rukmani Devi Mittal	Mother
3.	Indra Goel	Sister
4.	Satnarain Mittal	Brother
5.	Uttam Chand Suneja	Spouse's Father
6.	Balraj Suneja	Spouse's Brother
7.	Mamta Anand	Spouse's Sister
8.	Rahul Mittal	Son
9.	Siddhi Mittal	Daughter

B. In relation to Mrs. Kiran Mittal:

S. No.	Name	Relationship with Promoter
1.	Pawan Kumar Mittal	Spouse
1.	Uttam Chand Suneja	Father
2.	Balraj Suneja	Brother
3.	Mamta Anand	Sister
4.	Rukmani Devi Mittal	Spouse's Mother
5.	Indra Goel	Spouse's Sister
6.	Satnarain Mittal	Spouse's Brother
	Rahul Mittal	Son



8.	Siddhi Mittal	Daughter
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It is evident from the above explanations that Mrs. Lalita Mittal is not a part of Promoter Group of the Company within the meaning of clause (ii) of Regulation 2(pp) of ICDR Regulations.

3. Clause (iii) of Regulation 2(pp) of ICDR Regulations, applies when Promoter is a Body Corporate. In the present case, M/s Rita Finance and Leasing Limited is a Body Corporate Promoter, accordingly following entities would form part of Promoter Group of the Company:

- A) a subsidiary or holding company of such Rita Finance and Leasing Limited;
- B) any body corporate in which Rita Finance and Leasing Limited holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty per cent. or more of the equity share capital of Rita Finance and Leasing Limited;
- C) any body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty per cent. or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty per cent. or more of the equity share capital of the Company and are also acting in concert;

The foregoing clause only refer to inclusion of Body Corporate as Promoter Group and are irrelevant in context of establishing inclusion of Mrs. Lalita Mittal as member of Promoter Group of the Company.

4. Clause (iv) of Regulation 2(pp) of ICDR Regulations, applies when Promoter is an Individual. In the present case, Mr. Pawan Kumar Mittal and Mrs. Kiran Mittal are the individual promoters of the Company, accordingly following entities would form part of Promoter Group of the Company:

A) any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member - **This clause is irrelevant in the present case as it refers to the Body Corporate which shall be included as a part of Promoter Group.**

B) any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital - **This clause is irrelevant in the present case as it refers to the Body Corporate which shall be included as a part of Promoter Group.**



C) any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital - **This clause is irrelevant in the present case as it refers to HUF/Firm which shall be included as a part of Promoter Group.**

5. Clause (v) of Regulation 2(pp) of the ICDR Regulations states that all persons whose shareholding is aggregated under the heading "shareholding of the promoter group". In terms of the shareholding patterns filed by the Company with BSE Limited and the Metropolitan Stock Exchange of India Limited, Mrs. Lalita Mittal has been classified as a public shareholder and her shareholding has not been aggregated under the heading shareholding of the promoter group and her shareholding has never in the past been aggregated under the heading shareholding of the promoter group. **Accordingly, Mrs. Lalita Mittal is not a part of the Promoter Group of the Company in terms of clause (v) of Regulation 2(pp) of ICDR Regulations.**

CONCLUSION OF B.:

In terms of the explanations provided in the foregoing paragraphs, Mrs. Lalita Mittal is not a part of the Promoter Group of the Company.

- C. **DESIGNATED PERSON** - For the purpose of examining the definition of designated person, we need to refer to sub-regulation (4) of Regulation 9 of the PIT Regulations, which states as under:

9(4) For the purpose of sub regulation (1) and (2), the board of directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-

(i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;

(ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;

(iii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;

(iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

Upon reading the above, following persons are broadly classified as designated persons:

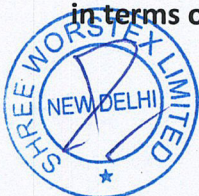


1. Such persons as maybe specified by the board of directors in consultation with the compliance officer of the Company. To understand the designated persons as specified by the Board of Directors of the Company, the Members of the Audit Committee referred to the Code of Conduct adopted by the Company and available on the website of the Company. As per the Code of Conduct adopted by the Company, following persons are classified as the Designated Persons:

- (i) Employees of Shree Worstex Limited above the level of General Manager;
- (ii) Employees of material subsidiaries of Shree Worstex Limited above the level of General Manager;
- (iii) All promoters of Shree Worstex Limited;
- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of Shree Worstex Limited and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- (v) Support staff of Shree Worstex Limited, such as IT staff or secretarial staff who have access to unpublished price sensitive information.

The Members of the Audit Committee examined each and every head of the "Designated Persons", as mentioned above and concluded as under:

- (i) Employees of Shree Worstex Limited above the level of General Manager – **Mrs. Lalita Mittal is not an employee of the Company and hence cannot be considered as a Designated Person in terms of the said explanation.**
- (ii) Employees of material subsidiaries of Shree Worstex Limited above the level of General Manager – **Shree Worstex Limited does not have any subsidiary, accordingly this clause is not applicable on the Company.**
- (iii) All promoters of Shree Worstex Limited – **Mrs. Lalita Mittal is not a Promoter of the Company and the same has been explained in detail in terms of para A. and para B. as provided above. Accordingly she is not a designated person in terms of the said explanation.**
- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of Shree Worstex Limited and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information – **Mrs. Lalita Mittal is not an employee of the Company and hence cannot be considered as a Designated Person in terms of the said explanation.**
- (v) Support staff of Shree Worstex Limited, such as IT staff or secretarial staff who have access to unpublished price sensitive information – **Mrs. Lalita Mittal is not an employee of the Company and hence cannot be considered as a Designated Person in terms of the said explanation.**



Accordingly, Mrs. Lalita Mittal is not a designated person in terms of the definition of "Designated Person" provided under the Code of Conduct of the Company.

2. Further, clauses (i) to (iv) of Regulation 9(4) of PIT Regulations, include the following within the ambit of the Designated Person:

(i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;

(ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;

(iii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;

(iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

Relationship of Mrs. Lalita Mittal in connection with the above has already been discussed in detail in foregoing paragraphs and hence do not require further comment.

CONCLUSION OF C:

Accordingly, Mrs. Lalita Mittal is not a designated person in terms of the definition of "Designated Person" provided under the PIT Regulations.

D. EVERY DIRECTOR- The following persons are the Directors on the Board of Company:

1. As per the data available on the website of Ministry of Corporate Affairs, following persons are on the Board of Directors of the Company:

Name	Designation
Pawan Kumar Mittal	Director
Kiran Mittal	Director
Jitendra Kumar Agarwal	Director
Pankaj Kapoor	Director
Avinash Sharma	Director



CONCLUSION OF D:

In terms of the publicly available details, Mrs. Lalita Mittal is not a Director of the Company.

CONCLUSION:

In terms of the foregoing discussion, it is evident that Mrs. Lalita Mittal does not fall within the ambit of following:

- a. Promoter
- b. Member of Promoter Group
- c. Designated Person and
- d. Every Director

Accordingly, the provisions of Regulation 7(2) of the PIT Regulations are not applicable to Mrs. Lalita Mittal.

The Members of the Audit Committee also noted that the Company Secretary and Compliance Officer of the Company had alleged that Mrs. Lalita Mittal is a Deemed Promoter of the Company. The Members of the Audit Committee further noted that the Company Secretary and Compliance Officer of the Company, Mrs. Tripti Rani, has tendered her resignation and was not available to explain or substantiate the logic behind considering Mrs. Lalita Mittal as Deemed Promoter of the Company or to elaborate meaning of the term "Deemed Promoter".

Accordingly, the contention of the Company Secretary and Compliance Officer of the Company to consider Mrs. Lalita Mittal as Deemed Promoter of the Company is untenable, baseless and unfounded, accordingly the Members of the Audit Committee did not attempt to probe further in the matter.

After deliberating on the matter and post examining the relevant provisions of the Law, the Members of the Audit Committee did not find any merit in the alleged violation of provisions of Regulation 7(2) of PIT Regulations by Mrs. Lalita Mittal. Accordingly, the Members of the Audit Committee opined that no action was necessitated against Mrs. Lalita Mittal as per the provisions of the PIT Regulations read with Code of Conduct.

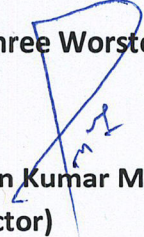
However, the Members of the Audit Committee noted that a disclosure in terms of Regulation 7(2) of the PIT Regulations was suo-moto filed by the Company Secretary and Compliance Officer of the Company on March 25, 2021 on the websites of BSE Limited and the Metropolitan Stock Exchange of India Limited.

In view of the detailed discussion as mentioned aforesaid, the Members of the Audit Committee found it prudent to file a retraction of the said disclosure.



Certified to be a true copy

For Shree Worstex Limited


Pawan Kumar Mittal
(Director)

DIN: 00749265



Date: 26.03.2021

Place: New Delhi