

Quality RO Industries Limited

Registered Office: Plot No. 09, Por Industrial Park, NH-08, Village Por – Vadodara 391243

Phone: +91 63588-39303; Email: info@qualityro.in; Website: www.qualityro.in

GST NUMBER: 24AAACQ7739F1ZE / CIN: L29308GJ2021PLC126004

Date: May 30, 2024

To,
The Manager,
BSE SME Platform
Department of Corporate Services
25th Floor, P.J. Towers, Dalal Street
Fort, Mumbai - 400 001

BSE Scrip Code: **543460**

Sub: Statement of deviation or variation in the use of proceeds of Initial Public Offering

Dear Sir/Madam,

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that there is no deviation or variation in the use of proceeds, from the objects stated in the prospectus for Initial Public Offering.

Further, the proceeds of the issue have been utilized for the purpose as stated in the prospectus of the company dated 20th January 2022.

In terms of SEBI Circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019, please find enclosed herewith the Statement of deviation(s) or variation(s) for the year ended on 31st March, 2024 as reviewed by the Audit Committee at its meeting held on May 25, 2024.

Kindly take the above information on your records.

Yours Faithfully

For Quality RO Industries Limited

DAMINI VIVEK DHOLIY
WHOLE TIME DIRECTOR
DIN - 09340903
Encl: as above

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Sub: Statement of deviation or variation in the use of proceeds of Preferential issue

Dear Sir/Madam,

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that there is no deviation or variation in the use of proceeds, from the objects stated in the Notice of Preferential issue.

Further, the proceeds of the issue have been utilized for the purpose as stated in the Notice pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of Companies (Management & Administration) Rules, 2014)

In terms of SEBI Circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019, please find enclosed herewith the Statement of deviation(s) or variation(s) for the year ended 31st March, 2024 as reviewed by the Audit Committee at its meeting held on May 25, 2024.

Kindly take the above information on your records.

Yours Faithfully

FOR QUALITY RO INDUSTRIES LIMITED

DAMINI VIVEK DHOLIY
WHOLE TIME DIRECTOR
DIN - 09340903

Encl: as above

Statement of Deviation /Variation in utilization of funds raised

| | |
|--|--|
| Name of listed entity | Quality RO Industries Limited |
| Mode of Fund Raising | Public Issue & Preferential Issue |
| Date of Raising Funds | 1. Public issue: February 09, 2022 2. Preferential issue: February 23, 2023 |
| Amount Raised | 1. Rs. 270.30 Lakhs 2. Rs. 434 Lakhs |
| Report filed for Quarter ended | 31.03.2024 |
| Monitoring Agency | Not applicable |
| Monitoring Agency Name, if applicable | - |
| Is there a Deviation / Variation in use of funds raised | Refer Note 1 |
| If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders | NA |
| If Yes, Date of shareholder Approval | NA |
| Explanation for the Deviation / Variation | NA |
| Comments of the Audit Committee after review | - |
| Comments of the auditors, if any | - |
| Objects for which funds have been raised and where there has been a deviation, in the following table | (No Deviation) |

(Amount in Lakhs)

| Original Object | Modified Object, if any | Original Allocation | Modified allocation, if any | Funds Utilised | Fund to be utilised | Amount of Deviation/Variation for the half yearly according to applicable object | Remarks if any |
|--|-------------------------|---------------------|-----------------------------|----------------|---------------------|--|------------------|
| IPO Funds | | | | | | | |
| Funding Working Capital Requirements | NA | 139.72 | NIL | 104.12 | 35.60 | NIL | - |
| To Meet the Incremental Working Capital Requirements | NA | 50 | NIL | 50 | NIL | NIL | - |
| General Corporate purposes | NA | 24.27 | NIL | 24.27 | NIL | NIL | - |
| Preferential Issue | | | | | | | |
| Long / Short term working capital requirements | NA | 375 | NA | 375 | 0 | 375 | Refer Note 1 & 2 |
| General Corporate purposes | NA | 59 | NA | 59 | 0 | NIL | |

Deviation or variation could mean:

Note 1 :- On verifying books of accounts and other records, it was observed that Company is having one of the main business / object of real estate. During the year ended 31 Mar 2024, Company have made investment in Partnership firm



- Gopinath Enterprise amounting to INR 510 lakhs. Company have 51% share in Gopinath enterprise. Main business of Gopinath enterprise is real estate builder.

As per the General Accepted Accounting Principles followed in India (Indian GAAP), these funds utilised are regarded as investment in partnership firm. However, Company claims that business in real estate sector is having complex structure, and dealing with business of real estate is mainly subject to creating Joint ventures/ partnership with other stakeholders. Thereby, Company is claiming that this funds has been utilised towards working capital.

Hence, these reporting under column of deviation is based on following of Indian GAAP and does not have considered complex structure of real estate business.

Note 2 :- Audit Committee has been noted that the Company has diverted the fund of Preferential Issue for investment in subsidiary company instead of use for working capital as per postal ballot notice dated 12th January 2023.

Further,

(a) Deviation in the objects or purposes for which the funds have been raised or

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or

(c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc

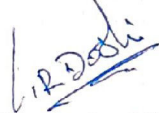
For, QUALITY RO INDUSTRIES LIMITED,


(Vivek Dholiya)
Managing Director
DIN : 09340902



For DOSHI DOSHI & CO
Chartered Accountants
Firm Registration No. 153683W




(Chintan Doshi)
Partner

Membership No. : 158931