



SHELTER PHARMA LIMITED

Our Company was originally converted from a Partnership Firm "M/s. Shelter Pharma" to a Public Limited Company as "Shelter pharma Limited" on October 12, 2007 under the Companies Act, 1956 in the state of Gujarat, with the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. For further details of our Company, please refer to "General Information" beginning on page 44 of this draft letter of offer.

Corporate Identification Number: L24233GJ2007PLC051956

Registered office: Shelter Nagar, Nr. S. T. Bus Stand, Himmatnagar, Gujarat, India, 383001

Corporate Office: 5th Floor, 501 Sakar 4, Opp. MJ Library, Ashram Road, Paldi, Ellisbridge, Ahmedabad, Gujarat, India, 380006.

Contact Person: Mustaqim Nisar Ahmed Sabugar, Managing Director

Telephone: 02772296038 / **E-mail Id:** info@shelter.co.in / **Website:** www.shelter.co.in

PROMOTERS OF OUR COMPANY:

MR. MUSTAQIM NISARAHMED SABUGAR AND MR. SHAKIL NISARAHMED SABUGAR

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHELTER PHARMA LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO [•] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF 10.00 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [•]/- PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [•]/- PER EQUITY SHARE) AGGREGATING UPTO ₹ [•]# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [•] EQUITY SHARE FOR EVERY [•] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [•] (THE "ISSUE"). THE ISSUE PRICE FOR THE EQUITY SHARES IS ₹ [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 184 OF THIS DRAFT LETTER OF OFFER.

Assuming full subscription.

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

Neither our Company nor any of our Promoters or any of Directors are or have been categorized as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.

GENERAL RISKS

Investment 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 with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 26 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER'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, and 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 makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE") (hereinafter referred as "Stock Exchange"). Our Company has received 'in-principle' approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated [•]. Our Company will also make applications to the Stock Exchange to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE



Bigshare Services Private limited

CIN: U99999MH1994PTC076534

Pinnacle Business Park, Office no S6-2 ,6th floor, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai, Mumbai, Mumbai, Maharashtra, India, 400093

Telephone: 022-6263 8200

E-mail: marketing@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

SEBI Registration No.: INR000001385

Validity of Registration: permanent

Contact Person: Mr. Sujit Haldar

Contact No: +91-7045571837

ISSUE PROGRAMME

ISSUE OPENS ON

[•]

LAST DATE FOR ON MARKET RENUNCIATIONS*

[•]

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 Renounce(s) on or prior to the Issue Closing Date.

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

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SECTION I: GENERAL INFORMATION

DEFINITIONS AND ABBREVIATIONS

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

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us' or similar terms are to Shelter Pharma Limited as the context requires, and references to 'you' are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the Securities contract (Regulation Act), the Depositories Act, Takeover Regulations, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 56 and 114, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

General Terms

| Term | Description |
|---|---|
| Our Company" or "the Company" or "the Issuer" | Shelter Pharma Limited, a public limited Company incorporated under the Companies Act, 1956, as amended from time to time, having its Registered Office situated at Shelter Nagar, Nr. S. T. Bus Stand, Himmatnagar, Gujarat, India, 383001 and Corporate Office situated at 5 th Floor, 501 Sakar 4, Opp. MJ Library Ashram Road Paldi, Ellis bridge, Ahmedabad, Gujarat, India - 380006. |
| "We", "Our", "Us", or "our Group" | Unless the context otherwise requires, indicates or implies or unless otherwise specified, Our Company as applicable, as at and during the relevant Financial Year. |

Company Related Terms

| Term | Description |
|---|---|
| Articles of Association" or "Articles | Articles of Association of our Company, as amended from time to time |
| Audit Committee | The Committee of Board of Directors constituted as our Company's Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and section 177 of the Companies Act, 2013 |
| Audited Financial Statements | The audited financial statements of our Company prepared in accordance with Accounting Standards for the Financial Years ending on March 31 |
| Auditors or Statutory Auditors | The statutory auditors of our Company, namely, M/s. Mendajiwala & Co., Chartered Accountants. |
| Board of Directors, or Board or our Board | The Board of Directors of our Company or any duly constituted committee thereof. |
| Chief Financial Officer | The Chief Financial Officer of our Company, being Mr. Mohammed Rafiq Gulamnabi Shaikh. |
| Companies Act | The Companies Act, 2013 and rules issued thereunder, as amended. |
| Chairman | The Chairman of our Company, being Mr. Mustaqim Nisar Ahmed Sabugar. |

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| Company Secretary | The Company Secretary and Compliance Officer of our Company, as appointed from time to time pursuant to section 203 of the Companies Act & Regulation 6 of SEBI (LODR) Regulations |
| Director(s) | The director(s) on our Board, as disclosed in “Our Management” on page 85 of this Draft Letter of Offer |
| DP ID | Depository Participant Identification, is a unique 8-digit code assigned to a Depository Participant (DP) by the Depository; |
| Equity Shares | Equity shares of face value of ₹ 10 each of our Company |
| Group Companies | Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations |
| Independent Directors | An Independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “Our Management” beginning on page 85 of this Draft Letter of Offer |
| Term | Description |
| Key Managerial Personnel or KMP | Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in “Our Management” on page 85 of this Draft Letter of Offer. |
| Materiality Policy | Policy for Determination and Disclosure of Materiality of an Event or Information adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality threshold adopted by the Board of Directors for the purpose of litigation disclosures. |
| Material Subsidiaries | None |
| Memorandum of Association | Memorandum of Association of our Company, as amended from time to time |
| “Non-Executive Director(s)” | A Director, not being an Executive Director of our Company. |
| Nomination and Remuneration Committee | The committee of the Board of Directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. |
| Promoters | The promoter of our Company, being, Mr. Mustaqim Nisar Ahmed Sabugar and Mr. Shakil Nisar Ahmed Sabugar. |
| Promoter Group | Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations |
| Registered Office and Corporate Office | The Registered Office of our Company is located at Shelter Nagar, Nr. S. T. Bus Stand, Himmatnagar, Gujarat, India, 383001 and Corporate Office is located at 5 th Floor 501 Sakar 4, Opp. MJ Library Ashram Road Paldi, Ellis bridge, Ahmedabad, Gujarat, India, 380006 |
| Financial Statements | The audited financial statements of our Company for the financial year ended March 31, 2024, which comprises the balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. |
| Shareholders or “Equity Shareholders | The holders of the Equity Shares from time to time |
| Stakeholders Relationship Committee | The committee of the Board of Directors constituted as our Company’s Stakeholders Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013. |
| Unaudited Financial Results | The limited review of unaudited financial results of our Company for the quarter and half year ending of September 31 of this and preceding Financial Years. |

Issue Related Terms

| Term | Description |
|---|--|
| Abridged Letter of Offer or ALOF | The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act |
| Additional Rights Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement |
| Allotment or Allot or Allotted | Allotment of Rights Equity Shares pursuant to the Issue |
| Allotment Account | The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to 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 accordance with Section 40(3) of the Companies Act, 2013; |
| Allotment Bank (s) Account | 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, [*] Bank Limited. |
| Term | Description |
| Allotment Advice | The note or 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 the Issue |
| Allottee(s) | Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue |
| Applicant(s) or Investor(s) | Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Investor |
| Application | Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price |
| Application Form | Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue |
| Application Supported by Blocked Amount or ASBA | Application (whether physical or electronic) used by Applicant(s) to make an application authorising the SCSB to block the Application Money in a specified bank account maintained with the SCSB |
| ASBA Account | An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application |
| ASBA Applicant/ ASBA Investors | Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process |
| ASBA Circulars | Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard |
| Banker(s) to the Issue | Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [*] Bank Limited |
| Banker(s) to the Issue Agreement | Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof |

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| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange in this Issue, as described in “Terms of the Issue” on page 184 of this Letter of Offer. |
| Controlling Branches / Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time. |
| Demographic Details | Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable. |
| Designated Branch(es) | Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time |
| Designated Stock Exchange | BSE Limited |
| Draft Letter of Offer/ /DLOF | This Draft Letter of Offer dated January 28, 2025 filed with the Stock Exchange, for its observations and in-principle approval. |
| Eligible Equity Shareholder(s) | Existing Equity Shareholders as at the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. |
| Term | Description |
| Escrow Collection Bank | Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being, [*]Limited |
| FPIs | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| Fraudulent Borrower | Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations |
| Issue or Rights Issue | Issue of upto [•] Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [•] per Rights Equity Share aggregating to an amount not exceeding ₹ [•]# 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 i.e. [•] #Assuming Full Subscription |
| Issue Closing Date | [•] |
| Issue Materials | Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue |
| 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 Application, in accordance with the SEBI ICDR Regulations. |
| Issue Price | Rs. [•] per Equity Share |
| Issue Proceeds | The gross proceeds raised through the Issue |
| Issue Size | Amount aggregating up to [•]# #Assuming full subscription |
| Letter of Offer | The Letter of Offer dated [*] to be filed with the Stock Exchange in connection with the Issue |
| Listing Agreement | The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. |
| Net Proceeds | Issue Proceeds less the Issue related expenses. For further details, please see “Objects of the Issue” on page 52 of this Letter of Offer |
| Non-ASBA Investor | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process |

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| Non-Institutional Investors | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(j) of the SEBI ICDR Regulations |
| Off Market Renunciation | The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws |
| On Market Renunciation | The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars, 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 |
| Qualified Institutional Buyers or QIBs | 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 in the Issue, being [•] |
| Refund Bank | The Bankers to the Issue with whom the refund account will be opened, in this case being [•] Bank |
| Registrar Agreement | Agreement dated [•] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue |
| RE ISIN | ISIN for Rights Entitlement i.e. [•] |
| Term | Description |
| Registrar to the Company/ Registrar to the Issue/ Registrar | M/s. Bigshare Services Private Limited |
| Renouncee(s) | Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation |
| 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 |
| Rights Entitlement(s) | 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 [•] Equity Shares held on [•] The Rights Entitlements with a separate ISIN: [•] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as 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 only in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date. |
| Rights Equity Shares | Equity Shares to be Allotted pursuant to this Issue |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company. |
| SCSB(s) | Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=ves&intmId=35 |
| Stock Exchange | Stock exchange where the Equity Shares are presently listed, being BSE Limited. |

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| Transfer Date | The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange |
| Wilful Defaulter | Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI |
| Working Days | In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Ahmedabad are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI |

Industry Related Terms

| Term/Abbreviation | Description/ Full Form |
|---|---|
| AFC | Asset Finance Company |
| CIC-ND-SI | Systemically Important Core Investment Company |
| CRAR / Capital to risk weighted assets | The ratio measures a bank's financial stability by measuring its available capital as a percentage of its risk-weighted credit exposure |
| Commercial Banks | A bank that offers services to the general public and to companies |
| DFIs | Development Finance Institutions |
| Gross non-performing assets / GNPA | Gross non-performing loans are the sum of all the loans that have been defaulted by the individuals who have acquired loans from the financial institution. |
| IBC | Insolvency and Bankruptcy Code |
| IC | Investment Company |
| IFC | Infrastructure Finance Company |
| Insurance Companies | A financial intermediary which offer direct insurance or reinsurance services, providing financial protection from possible hazards in the future |
| LC | Loan Company |
| MGC | Mortgage Guarantee Companies |
| MSMEs | Micro, Small and Medium Enterprises |
| Term/Abbreviation | Description/ Full Form |
| MUDRA or Micro Units Development and Refinance Agency | MUDRA is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs |
| Mutual Funds | A mutual fund is a Company that brings together money from many people and invests it in stocks, bonds or other assets |
| NBFCs or Non-Banking Finance Companies | The entities that provide certain bank-like financial services but do not hold a banking license. NBFCs are not subject to the banking regulations and oversight by federal and state authorities adhered to by traditional banks |
| NOFHC | NBFC- Non-Operative Financial Holding Company |
| NSI-ND-NBFC | Non-Systemically Important Non-Deposit taking Non-Banking Finance Companies |
| Net Owned Fund | Net Owned Funds means the aggregate of paid-up equity share capital and free reserves as reduced by accumulated losses and intangible assets |
| Pension Funds | A fund from which pensions are paid, accumulated from contributions from employers, employees, or both. |
| Private Sector Banks or PVBs | Private sector banks are those in which private individuals or private corporations own a significant portion of the bank's equity |
| Public Sector Banks or PSBs | A public bank is a bank, a financial institution, in which a state, municipality, or public actors are the owners. It is an enterprise under government control |

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| RBI | The Reserve Bank of India |
| Return on Assets or ROA | The term return on assets (ROA) refers to a financial ratio that indicates how profitable a Company is in relation to its total assets |
| Return on Equity or ROE | It is a measure of financial performance calculated by dividing net income by shareholders' equity |
| SCBs | Scheduled Commercial Banks |

Conventional and General Terms or Abbreviations

| Term/Abbreviation | Description/ Full Form |
|--------------------------------------|--|
| ₹ or Rs. or Rupees or INR | Indian Rupee |
| Adjusted Loans and Advances | Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company |
| Adjusted EBITDA | Adjusted earnings before interest, taxes, depreciation, and amortisation |
| AIF(s) | Alternative Investment Fund, as defined and registered with SEBI under the SEBI AIF Regulations |
| AS or Accounting Standards | Accounting standards issued by the ICAI |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate |
| Category I AIF | AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations |
| Category I FPIs | FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations |
| Category II AIF | AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations |
| Category II FPIs | FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations |
| Category III AIF | AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations |
| CBDT | Central Board of Direct Taxes, Government of India |
| CDSL | Central Depository Services (India) Limited |
| Central Government | Central Government of India |
| CERSAI | Central Registry of Securitisation Asset Reconstruction and Security Interest |
| CIBIL | Credit Information Bureau (India) Limited |
| CIN | Corporate Identity Number |
| Civil Code | The Code of Civil Procedure, 1908 |
| Client ID | The client identification number maintained with one of the Depositories in relation to the demat account |
| Term/Abbreviation | Description/ Full Form |
| AS or Accounting Standards | Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Accounting Standards) Rules, 2021. |
| Companies Act or Companies Act, 2013 | The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder |
| Companies Act 1956 | The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder |
| Depositories Act | Depositories Act, 1996 |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| DIN | Director Identification Number |
| DP / Depository Participant | Depository participant as defined under the Depositories Act |
| DP ID | Depository Participant Identity |
| DPIIT | The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India |
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest, taxes, depreciation, and amortisation |
| EGM | Extraordinary general meeting |

| | |
|-----------------------------------|--|
| EPF | Employees' Provident Fund |
| EPFO | Employees' Provident Fund Organisation |
| EPS | Earnings Per Share |
| EUR | Euro |
| FCNR Account | Foreign Currency Non-Resident (Bank) Account |
| FDI | Foreign direct investment |
| FEMA | The Foreign Exchange Management Act, 1999 |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year / Fiscal Year / FY | Period of 12 months ending March 31 of that particular year |
| FDI Policy | Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020 |
| FIR | First Information Report |
| FPI | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| FVCI | Foreign Venture Capital Investors registered under the SEBI FVCI Regulations |
| GAAR | General Anti-Avoidance Rules |
| GAAP | Generally Accepted Accounting Principles in India |
| Gazette | Official Gazette of India |
| GDP | Gross Domestic Product |
| GIR | General Index Register |
| GOI | Government of India |
| Government | Central Government and/ or the State Government, as applicable |
| GST | The Goods and Services Tax |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| IEPF | Investor Education and Protection Fund |
| IFRS | International Financial Reporting Standards |
| Income-tax Act | The Income Tax Act, 1961 |
| India | Republic of India |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| IT | Information Technology |
| KYC | Know Your Customer |
| MCA | Ministry of Corporate Affairs, Government of India |
| Mutual Fund | Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares |
| Term/Abbreviation | Description/ Full Form |
| Net Worth | The aggregate value of the equity share capital, other equity and non-controlling interests |
| NEFT | National Electronic Fund Transfer |
| NPCI | National Payments Corporation of India |
| NR | Non-resident or person(s) resident outside India, as defined under the FEMA |
| NRE | Non- Residential External |
| NRE Account | Non-resident external account |
| NRI | A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NRO | Non- Resident Ordinary |
| NRO Account | Non-resident ordinary account |
| NSDL | National Securities Depository Limited |

| | |
|-----------------------------------|--|
| OCBs or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Issue |
| OCI | Overseas Citizen of India |
| p.a. | Per annum |
| P/E Ratio | Price to Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PMLA | The Prevention of Money Laundering Act, 2002 |
| Regulation S | Regulation S under the United States Securities Act of 1933, as amended |
| RoC | Registrar of Companies, West Bengal at Kolkata |
| ROE | Return on Equity |
| RoNW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | The Securities Contracts (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| SEBI Rights Issue Circulars | SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 as amended from time to time and any other circular or notification issued by SEBI in this regard |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations |
| Securities Act | The United States Securities Act of 1933 |
| Stamp Act | The Indian Stamp Act, 1899 |
| Term/Abbreviation | Description/ Full Form |
| STT | Securities Transaction Tax |
| State Government | Government of a State of India |
| TAN | Tax deduction account number |
| TDS | Tax deductible at source |
| Trademarks Act | Trade Marks Act, 1999 |
| USD | United States Dollar |
| U.S./USA/United States | United States of America, its territories or possessions, any state of the United States, and the District of Columbia |

| | |
|--------------------|---|
| VCFs | Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations |
| w.e.f. | With Effect From |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve-month period ending on December 31 |

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**”, “**Capital Structure**”, “**Objects of the Issue**”, “**Industry Overview**”, “**Our Business**”, and “**Terms of the Issue**” beginning on pages 15, 50, 52, 58, 71 and 184 respectively of this Draft Letter of Offer.

1. Summary of Industry

India's pharmaceutical industry is a significant contributor to the country's economy, and is a global leader in research and innovation. The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for investors. Indian pharma companies have a substantial share in the prescription market in the U.S. and EU. The largest number of FDA-approved plants outside the US is in India.

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA).

The Indian pharmaceutical industry has seen a massive expansion over the last few years and is expected to reach about 13% of the size of the global pharma market while enhancing its quality, affordability, and innovation. The biosimilars market in India is estimated to grow at a compounded annual growth rate (CAGR) of 22% to become US\$ 12 billion by 2025. This would represent almost 20% of the total pharmaceutical market in India.

Sources: <https://www.ibef.org/industry/pharmaceutical-india>

For details, please refer to chapter titled “**Industry Overview**” on page 58 of this Draft Letter of Offer.

2. Summary of Business

We, Shelter Pharma Limited, a Public Limited Company incorporated under the Companies Act, 1956 having Corporate Identification Number is L24233GJ2007PLC051956. Our Company is engaged primarily in the business of providing Human and Veterinary Healthcare products.

For details, please refer to chapter titled “**Our Business**” on page 71 of this Draft Letter of Offer.

3. Our Promoters

The Promoter of our Company are Mr. Mustaqim Nisarahmed Sabugar and Mr. Shakil Nisarahmed Sabugar. For further details please see chapter titled “**Our Promoters**” beginning on page 106 of this Draft Letter of Offer.

4. Objects of the Issue

The Net Proceeds of the issue (Gross proceeds less Issue expenses) are proposed to be used in the manner set out in the following table:

(₹ in lakhs)

| Sr. No. | Particulars | Total estimated amount to be utilized (₹ in lakhs) |
|---------|---|--|
| 1. | To meet working capital requirement for expansion of business for Indian market and Export, | [•] |
| 2. | General Corporate Purposes* | [•] |
| | Total Net proceeds of the issue | [•] |

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

For further details, please see chapter titled “Objects of the Issue” beginning on page no 52 of this Draft Letter of Offer.

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

Our Promoters and Promoter Group have vide their letters each dated January 17, 2025 confirmed that they (i) may subscribe to their Rights Entitlements in the Issue or may renounce their Rights Entitlements in part or in full, in favour of the Promoters or other members of our Promoter Group or in favor of existing shareholders of the Company or a third party; or (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlements acquired through renunciation, either individually or jointly and/ or severally with the Promoters or any other members of the Promoter Group, subject to compliance with the Companies Act, 2013 & other applicable provisions.

Subscription by our Promoters and Promoter Group for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein will be fulfilled in accordance with provisions of the Takeover Regulations.

6. Summary of Financial Information

Following are the details as per the Audited Financial Statements for Financial Years ending on March 31, 2024, March 31, 2023, and for year ended March 31, 2022:

(₹ in lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|--|--------------|---------------|--------------|
| Authorized Share Capital | 1,500.00 | 1,500.00 | 60.00 |
| Paid-up Capital | 1155.98 | 774.38 | 48.40 |
| Other Equity | 2425.60 | 680.50 | 832.14 |
| Net Worth attributable to Equity Shareholders | 3581.58 | 1,454.88 | 880.54 |
| Total Revenue | 4002.67 | 3615.51 | 3005.97 |
| Profit after tax | 620.02 | 520.58 | 185.69 |
| Total other comprehensive income/(loss) for the year | 0.00 | 0.00 | 0.00 |
| Total Comprehensive income/(Loss) for the year | 620.02 | 520.58 | 185.69 |
| Earnings per Share (basic & diluted) (in ₹) | 5.36 | 6.72 | 38.37 |
| Net Asset Value per Equity Share (in ₹) | 30.99 | 18.79 | 181.93 |
| Total Borrowings | 57.73 | 178.41 | 13.12 |

7. Summary of Outstanding Litigations:

A summary of outstanding litigation and pending tax proceedings involving our Company and Subsidiaries is provided below:

Litigation involving our Company

(₹ in lakhs)

| Sr. No. | Type of Proceeding | No. of cases | Amount involved, to the extent quantifiable |
|----------------|---|---------------------|--|
| A | <i>Proceedings involving moral turpitude or criminal liability on our Company</i> | 0 | 0.00 |
| B | <i>Proceedings involving material violations of statutory regulations by our Company</i> | 9 | 432.66 |
| C | <i>Matters involving economic offences where proceedings have been initiated against our Company</i> | 0 | 0.00 |
| D | <i>Pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.</i> | 6 | Not Ascertainable |

For details, please refer to chapter titled “**Outstanding Litigations and Defaults**” on page 151 of this Draft Letter of Offer.

8. Risk Factors:

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “**Risk Factors**” on page 15 of this Draft Letter of Offer.

9. Summary of Contingent Liabilities

Following are the details as per the Audited Financial Information for the Financial Year ended March 31, 2024, March 31, 2023, and March 31, 2022.

(₹ in lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|--|-------------------|-------------------|-------------------|
| Claims against the Company not acknowledged as debt | Nil | Nil | Nil |
| Collateral Security against subsidiaries | Nil | Nil | Nil |
| Other money for which the Company is contingently liable | 432.67 | Nil | 0.03 |
| Commitments | 0.19 | Nil | Nil |

10. Summary of Related Party Transactions

Following stated is the brief of the related party transactions undertaken by our Company as per Audited Financial Statements for the financial year ending March 31, 2024, 2023 and 2022:

(₹ in lakhs)

| Sr. No. | Name of Related Party | Relation | Nature of Transaction | Transaction for the Financial Years ending March31 | | |
|---------|-----------------------------|--|-------------------------|--|--------|--------|
| | | | | 2024 | 2023 | 2022 |
| 1. | Mustaqim Nisarahmed Sabugar | Managing Director | Director's Remuneration | 12.00 | 5.40 | 4.80 |
| 2. | Shakil Nisarahmed Sabugar | Whole Time Director | Director's Remuneration | 12.00 | 4.74 | 4.08 |
| 3. | Nisarahmed Sabugar | Whole Time Director | Director's Remuneration | - | - | 3.48 |
| 4. | Gandhi Brothers | Firm forming Part of Promoter Group | Sales | 152.73 | 374.45 | 187.57 |
| 5. | Shelter Pharmacy Pvt.Ltd | Company forming Part of Promoter Group | Sales | 228.96 | 346.90 | 10.43 |
| 5. | Gandhi Brothers | Firm forming Part of Promoter Group | Purchase | - | 214.20 | 161.00 |
| 6. | Shelter Pharmacy Pvt.Ltd | Company forming Part of Promoter Group | Purchase | - | 99.69 | 5.86 |

Please refer "Financial Information" beginning on page 114 of the Financial Information in this Draft Letter of Offer.

11. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year from date of this Draft Letter of Offer.

12. Split or consolidation of Equity Shares in the last one year

Our Company has not carried out any split or consolidation of Equity Shares in last one year from date of this Draft Letter of Offer.

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 our Company and the terms of the Issue including the merits and risks involved. However, the risks and uncertainties described below are not the only risks that we currently face.

Additional risks and uncertainties, not presently known to us or that we currently 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 for an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factor mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 58, 71 and 145 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived 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. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section. This Draft Letter of Offer also contain forward-looking statements that involve risks, assumptions, estimates and uncertainties.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Audited Financial Statements prepared in accordance with IND AS, the Companies Act, SEBI LODR Regulations and SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. 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 a 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 numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers Shelter Pharma Limited.

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

INTERNAL RISKS

BUSINESS RELATED RISKS

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

There are 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. For the details of the cases please refer the chapter titled “**Outstanding Litigations and Material Developments**” beginning on page 151 of this Draft Letter of Offer A summary of the pending civil and other proceedings involving Our Company is provided below:

A classification of legal proceedings is mentioned below:

| Nature of Cases | Number of Cases | Amount Involved (₹ in Lakhs) |
|---|-----------------|------------------------------|
| Company | | |
| Direct Tax | | |
| E- Proceedings | - | - |
| Outstanding Demand | 9 | 430.55 |
| TDS | 3 | 2.11 |
| Directors (other than Promoters) | | |
| Direct Tax | | |
| E- Proceedings | - | - |
| Outstanding Demand | - | - |
| Promoters | | |
| Direct Tax | | |
| E- Proceedings | 2 | Not Ascertainable |
| Outstanding Demand | - | - |

For further details of litigation proceedings, please refer the chapter titled “**Outstanding Litigations and Material Developments**” on page 151 of this Draft Letter of Offer.

2. **Our Company was classified as a ‘Defaulter’ by CIBIL and ‘Wilful Defaulter’ by Watch out Investors for the default committed in the year 2016.**

Our Company was classified as a ‘Defaulter’ by CIBIL and ‘Wilful Defaulter’ by Watchout Investors, due to default in payment amounting ₹ 1.87 Crores for the borrowings which were obtained from Axis Bank Limited (the “Bank”), Himmatnagar Branch, Gujarat. To address such default, our Company furnished Cash Credit facility of ₹ 2 Crores against the said dues and the same has been fully adjusted by the Bank with the ‘No due certificate’ (the “Certificate”) dated August 19, 2016 confirming that there are ‘no outstanding dues as of today’.

3. **Being a pharmaceutical company, we operate in a highly regulated and controlled industry environment. Our business is dependent on approvals from relevant regulatory and health authorities. Any delay or failure to obtain or renew such required regulatory approvals, registrations or any change in the regulatory environment in relation to marketing our products in regulated markets may significantly impact our business and strategy affecting our overall profitability.**

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. We expect to be or continue to be subject to extensive and increasingly stringent laws and regulations such as The Drugs and Cosmetics Act, 1940, The Drugs and Cosmetics Rules, 1945 etc. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to discontinue any range of product, incur damages, payment of fines or other penalties, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition

and results of operations. Any failure to apply for and obtain the required consents and registrations or any cognizance being taken by the concerned authorities for non-registration could result in levy of penalties and other legal proceedings which may adversely affect our business, financial condition, results of operations.

4. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and / or cancel the approval / licenses which may affect our business adversely.

5. Our business largely depends on the performance of our distributors. Any non-performance by these distributors may adversely affect our business operations, profitability and cash flows.

We mainly sell our products directly to distributors / stockiest / super stockiest who in turn take forward the supply chain. Our business hence largely depends on the performance of our distributors, who may be responsible for selling our products to end users at domestic. Currently, we have distributors / stockiest / super stockiest for our Domestic and international markets. Further these distributors generally operate for a specific country. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters. Such distributors are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with competitors, we may not be able to take any course of action. Similarly, we are restricted from directly involving ourselves in marketing services in certain countries where these distributors are located. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these distributors. Moreover, there can be no assurance that our distributors will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our distributors.

6. Our products have Shelf-Life, any inability on our part to deliver our products at the right time in the markets could have a material adverse effect on our business, results of operation and financial condition.

We are engaged in to dealing in medicines for human and animals and same has certain validity before which the same needs to be used and consumed. Hence, we have to ensure that right quantity and quality of our products reach to the consumer in a timely manner. Any interruption in supply of our products to the various markets, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition. 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.

7. Changes in customer preferences could affect our business, financial condition, results of operations and prospects.

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

8. Our inability to maintain an optimal level of Stock for our business may impact our operations adversely.

Our daily operations largely depend on consistent Stock control which is generally dependent on our projected sales in different months of the year. It also largely depends on the forecast and trends for the forthcoming season. An optimal level of Stock is important to our business as it allows us to respond to customer demand effectively and to maintain a range of stock. If we over-stock Stock, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

9. Our ability to retain the clients is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.

We believe our strong brand reputation has helped us to attract and retain our customers. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our customers have a dedicated and talented team that comprise of experienced personnel in the field of Ayurvedic products. Our business heavily relies on our reputation as well as the quality and popularity of the product provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and increase the number of our customers at a consistent rate. We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant up gradation of the methodology and technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

10. We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be obtained by our Issuer Company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. For example, we do not have the original copy of the Tax Deduction and Collection Account Number (TAN) certificate, we have verification certificate for Professional Tax Enrolment Certificate (PTEC) and Professional Tax Registration Certificate (PTRC). The Company has applied for lender consent and the same is pending from the lender. Further we are required to keep already obtained valid key approvals such as Tax Registrations, Food and Drugs Control approvals, Labour related approvals, for running our operations in a smooth manner. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled "*Government and Other Statutory Approvals*" at pages 158 respectively of this Draft Letter of Offer.

11. The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

12. Introduction of alternative pharmaceutical products caused by changes in technology or consumer needs may affect demand for our existing products which may adversely affect our financial results and business prospects.

Our business is affected by change in technology, consumer needs, market perception of brand, convenience, health and safety norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers businesses and, in turn, will affect the demand for our products. Any failure to forecast and / or meet the changing demands of pharmaceutical businesses and consumer needs may have an adverse effect on our business, profitability and growth prospects.

13. There are certain discrepancies / errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and others under the provisions of Companies Act, 1956 / 2013. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.

The Company has generally complied with certain statutory provisions and the following discrepancies have been mentioned in the forms filed by the Company with the Registrar of Companies under provisions of Companies Act, 2013 / 1956:

- The Form 2 filed on January 31, 2013 for issue of equity shares pursuant to conversion of Compulsory Convertible Debentures has a shortfall of ₹ 151.20/- from the total amount paid on allotment in the Securities Premium Account of the Company.
- The attachment in the Form PAS-3 filed on September 15, 2020 with respect to the Right Issue has a typographical error in the ratio of the right issue. However, the allotment is as per the provisions of the law.
- Our Company has not filed E-form 23 for re-appointment of Mr. Mustaqim Nisarahmed Sabugar as a Managing Director and Mr. Shakil Nisarahmed Sabugar as a Whole Time Director of the Company for the period between January 2014 to March 2015 and Form MGT-14 for the period between April 01, 2020 to February 22, 2023 respectively.
- MGT-7 filed for the financial year 2021-22 wrongly stated all the shareholders as promoters which was rectified by filing a revised MGT-7 on March 20, 2023 with late fees.

Any penalty or action taken by any regulatory authority in future for non-compliance with provisions of corporate and other law could impact financial position of the company to that extent. No show cause notice in respect to the above has been received by our Company till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

- 14. Our Promoter Group Entity is engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and such Promoter Group Entity. We cannot assure that our Promoters will not favour the interests of such entity over our interest or that the said entities will not expand, which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Promoter Group Entity namely, Shelter Pharmacy Private Limited and M/s Gandhi Brothers are engaged in similar line of business as of our Company. We have not entered into any non-compete agreement with the said entity. We cannot assure that our Promoters who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers / customers and in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other entity / entities in which our Promoters have interests. There can be no assurance that our Promoters or our Promoter Group entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their Shelter Pharma Limited interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

- 15. If we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.**

Our products face competition from products commercialized or under development by competitors in all of our product portfolios. We compete with local companies, multi-national corporations and companies from the rest of world. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. Also, we face pressure on our margins due to pricing competition from several small and unorganized local players. Presence of more players in the unorganized sector compared to organized ones has resulted in increasingly competitive environment characterized by stiff price competition. We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

- 16. If we inadvertently infringe on the patents of others, our business may be adversely affected.**

We operate in an industry characterized by extensive patent litigation, including frivolous litigation by competitors to delay grant of patent. Patent litigation can result in significant damages being awarded and injunctions that could prevent the sale of certain products or require us to pay significant royalties in order to continue to sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our rights against others. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

- 17. Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.**

Since we export our products to in countries like Egypt, Kuwait, Qatar, Romania, UAE, Bangladesh, Nepal, Cameron, Iraq, Sudan and Yemen, we are subject to numerous, and sometimes conflicting, legal requirements on matters as diverse as import / export controls, content requirements, trade restrictions, the environment tariffs, taxation, sanctions, government affairs, anti-corruption, whistle blowing, internal and disclosure control obligations, data protection and privacy and labour relations and certain regulatory requirements that are specific to our clients' industries. Non-compliance with these regulations in the conduct of our business could result in fines, penalties, criminal sanctions against us or our officers, disgorgement of profits, prohibitions on doing business and have an

adverse impact on our reputation. Gaps in compliance with these regulations in connection with the performance of our obligations to our clients could also result in exposure to monetary damages, fines and / or criminal prosecution, unfavourable publicity, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations. Due to the varying degree of development of the legal systems of the countries in which we operate, local laws might be insufficient to defend us and preserve our rights. We could also be subject to risks to our reputation and regulatory action on account of any unethical acts by any of our employees or other related individuals. We are subject to risks relating to compliance with a variety of national and local laws, including multiple tax regimes, and employee health, safety, wages and benefits laws. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

18. We are subject to risks associated with expansion into new markets.

Expansion into new markets, including in India and overseas, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new markets, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in:

- i. laws, regulations and practices and their interpretation; local preferences and service requirements;
- ii. fluctuations in foreign currency exchange rates;
- iii. inability to effectively enforce contractual or legal rights and adverse tax consequences;
- iv. differing accounting standards and interpretations;
- v. stringent as well as differing labour and other regulations;
- vi. differing domestic and foreign customs, tariffs and taxes;
- vii. exposure to expropriation or other government actions; and
- viii. political, economic and social instability.

19. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

Our company's 100% of the revenue is not derived from India. We export of products to in countries like Egypt, Kuwait, Qatar, Romania, UAE, Bangladesh, Nepal, Cameron, Iraq, Sudan and Yemen. We receive revenue in foreign currency from such clients. Any changes in value of currencies with respect to the rupee may cause fluctuations in our operating results expressed in rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our company to the extent of cost of services sold in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

20. Our Company is dependent on third party transportation for the delivery of products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.

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

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

21. Our operational results substantially rely on mass public consumers.

We sell our products to the general public consumers through our distribution network, which inter alia includes chain retailers, individual retailers and distributors. The general acceptance by consumers of the brands and products developed and marketed by us is of vital importance to our success and it hinges on a number of factors such as brand image, product quality and customer loyalty. If we fail to generate demand for our existing or new products or fail to maintain consumer loyalty, our business, operational and financial results may be adversely affected.

22. Some of Our products may cause unexpected or undesirable side effects unknown to us which may result in costly product returns or recalls.

Our own-branded products contain a number of ingredients, some of which or the combination of which may cause side effects that are unknown to us although there has not been any incident in the past. In particular, all our own-branded products are produced by our own unit. Though we have measures in place to control the quality of our raw materials and the finished products, we cannot assure you that we will be able to detect defective raw materials or finished products in every circumstance. If any side effects occur or if our products are perceived to have such side effects, we may be affected financially as a result of consequential product returns or recalls, product liability claims, which in turn could lead to severe adverse publicity, and investigation by relevant government authorities and prosecution, monetary losses or even lawsuits. We cannot assure you that product returns or recalls would not happen to our own-branded products in the future. Substantial amount of product returns or recalls could materially and adversely affect our business, financial condition and results of operations.

23. Our Company does not have any long-term contracts with our clients and suppliers, which may adversely affect our results of operations.

We are, to a major extent, dependent on external suppliers for our goods requirements and we do not have any long-term supply agreements or commitments in relation to the same. There can be no assurance that there will not be a significant disruption in the supply of goods from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Consequently, we are also exposed to price fluctuations in goods, 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 goods on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of goods or due to inability to procure the same. Further, unfavourable terms of goods 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 future growth will be severely stunted. Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term. Also, Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for long time. However, we have not entered into any long-term contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business.

24. We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.

The Indian Pharma industry has historically been dominated by major entities that had an aggregate market share of the market, as the industry presents significant entry barriers. These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment

of a distinct brand to gain product acceptance. We compete on the basis of the strength of our differentiated products, distribution network, brand recognition, and ability to populate tinting machines. As a result, to remain competitive in our markets, we must continuously strive to manufacture differentiated products, expand our distribution network, enhance our brand and improve our operating efficiencies.

Some of our competitors may have larger business operations, may be diversified with operations across India, may have greater financial resources than we do, may have access to a cheaper cost of capital and may be able to produce medicines more efficiently or invest larger amounts of capital into their businesses in terms of strengthening their brands, expanding their distribution networks and expending greater resources to populate tinting machines. Our business could be adversely affected if we are unable to compete with our competitors and sell medicines at competitive prices. For example, if any of our competitors strengthens their brand and caters to the markets, we are present in through differentiated products, our business and results of operations could be adversely impacted. Our competitors may also introduce new and more competitive products and strengthen their supply chain management, make strategic acquisitions or establish relationships among themselves or with third parties, dealers of our products, thereby increasing their ability to address the needs of our target customers. An inability to effectively compete in terms of branding, providing competitive and differentiated products or services or expand into new markets, could have a material negative effect on our business, financial condition and growth prospects.

25. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facilities, the availability of raw materials, industry / market conditions, as well as by the product requirements of, and procurement practice followed by, our dealers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we have made certain investments for the expansion of our manufacturing capacities in the past and intend to use a part of the Net Proceeds towards expansion of our manufacturing facilities, specifically at our manufacturing facility. Our proposed expansion plans are based on demand forecasts that are subject to various

26. The COVID-19 pandemic had material adverse effect on our business, financial condition, results of operations and cash flows.

In late 2019, a novel strain of coronavirus (“COVID-19”) emerged and by March 11, 2020, it was declared a global pandemic by the World Health Organization. The spread of COVID-19 and the recent developments surrounding the global pandemic have had, and may continue to have, repercussions across local, national and global economies and financial markets. On March 14, 2020, India declared COVID-19 as a ‘notified disaster’ and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. While the recently commenced vaccination drive in India is a positive development, the COVID-19 pandemic has affected and is expected to continue to affect our business and operational performance in the near future. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, such as instituting quarantines, restricting travel, prohibiting people from assembling in heavily populated areas, issuing lockdown orders and restricting the types of businesses that may continue to operate, ‘stay-at-home’ orders, and enforcing remote working regulations. These measures has led to a significant decline in economic activities, and have, had and is having an unprecedented effect and a significant negative impact on the global industry.

27. Our business is substantially dependent on our key customers from whom we derive a significant portion of our revenues. The loss of any significant clients may have a material and adverse effect on our business and results of operations.

We derive a significant portion of our revenues from a limited number of customers which operate in the pharma industry. In the event any one or more customers cease to continue doing business with us, our business may be adversely affected. The loss of such customers may be caused mainly because of competition and technological advancements. There may be factors other than our performance, which may not be predictable, which could

cause loss of customers. Further, any significant reduction in demand for our services from our key customers, any requirement to lower the price offered by these customers, or any loss or financial difficulties caused to these customers, change in relationship with the customers could have a material adverse effect on our business, result of operations, financial condition and cash flow. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

28. Our revenues are dependent upon our meeting specific customer requirements largely on a case-to-case basis. Any failure or limitation on our ability to provide services may detrimentally affect our future growth.

Our assignments for providing services largely involve us, in providing end-to-end solutions to the pharma industry on a case to-case basis, depending upon the needs of each customer. Our inability to provide solutions could lead to erosion of our market image and brand value, which could lead to customers discontinuing their work with us and stagnation of our customer base, which in turn could harm our business and consolidated profitability. Our Company's future growth will depend on our continued evolution of specific sets of services to deal with the rapidly evolving and diverse needs of our customers in a cost competitive and effective manner.

29. Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.

Our operations are subject to environmental, health and safety and other regulatory and / or statutory requirements in the jurisdictions in which we operate. Our operations may generate significant amounts of pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Non-compliance with these laws and regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations, financial condition, or cash flows. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

30. Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.

We seek to protect all the computer systems and network infrastructure in our offices from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. To address these issues and to minimise the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and, use encryption technology for transmitting and storing critical data such as passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business.

31. Some of the details mentioned in the respective KYC Documents of our Promoters and Directors are not same in all KYC documents.

While going through the KYC documents such as Aadhaar Card, PAN, Passport, Driving License and Voting Id, it was found that certain details mismatch with each other. For example, the Name of the Promoter / Director in some KYC document is not matching with other KYC document. There is mismatch in Name and Address details in the KYCs of some Directors and Promoters.

32. An inability to protect, strengthen and enhance our existing brand could adversely affect our business prospects and financial performance.

Our business reputation and our brand under which we sell products are critical to the success of our business. While we have been making consistent efforts to strengthen our brand, various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, and if not managed properly, may negatively affect our brand and reputation. These include our ability to effectively manage the quality of our products; increase brand awareness among existing and potential dealers and end-customers; adapt our advertising and promotion efforts to emerging industry standards; and protect the intellectual property related to our brand.

Our brand could also be negatively impacted if we fail to maintain our established standards of service, or if our products fail to meet the expectation of our distributors and Customers that distribute and use our products. Any allegations of deterioration in product quality even when false or unfounded could tarnish the image of our brand and may cause our dealers and end-customers to choose other competing products. Any negative publicity regarding us, our brand, our products generally could adversely affect our reputation and our results of operations. In addition, counterfeit products, product defects, and ineffective promotional activities are all potential threats to the image and potency of our brand. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers, and in turn adversely affect our reputation, business, financial condition, results of operations, and cash flows.

33. Our business is subject to various operating risks at our sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.

Our business operations are subject to operating risks, such as breakdown or failure of equipment's used at the project sites, weather conditions, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could result in stoppage of work along with penalty in monetary terms. Any stoppage of work may result in a delay in completing our projects leading to failure to deliver product to the customers within the time frame. Further, any of the aforesaid risks may also result in our contractors compromising on the quality standards in order to finish the work within the given timelines, which may in turn affect our reputation and ability to attract new customers. If any of the above were to occur, it would significantly affect our operating results, and the slowdown of business operations may have a material adverse effect on our business operations and financial conditions.

34. Inability to meet the quality standard norms prescribed by the central and state governments could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition, and cash flows.

The quality of the products being manufactured by us is open to independent verification by agencies of the central and state governments, or various other regulatory authorities. Regulatory authorities may carry out inspection of our premises, plant, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product at short notice or without notice. The government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. Failure on our part to adhere to the quality norms prescribed by the government agencies could lead to recall of those batches and / or the products in the relevant state, or we may be liable to pay a penalty. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

35. Improper storage, processing and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.

Our inventory primarily consists of raw materials and finished products. Our raw materials, manufacturing processes and finished products are susceptible to fungal and bacterial contamination if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such a contamination is detected at the facility during quality checks, we may be required to disinfect the entire plant and equipment, resulting in a suspension of manufacturing activities, and lower capacity utilizations, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory due to adverse weather conditions or longer than usual storage periods, which may also require us to incur additional expenses in replacing that portion of the inventory and / or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins.

36. Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Letter of Offer are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Letter of Offer are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity of, and actual productions volumes at, our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of the pharma industry after examining the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies, and taking into account the number of working days in a year, number of days in a month, number of shifts in a day, and average downtime efficiency. Actual manufacturing capacity, production levels and utilization rates may therefore vary from the information of our manufacturing facilities included in this Draft Letter of Offer or from the historical installed manufacturing capacity information of our manufacturing facilities depending on the product type. Accordingly, undue reliance should not be placed on our historical installed capacity information for our existing facilities included in this Draft Letter of Offer

37. Our business is manpower intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

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

We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain, flexible policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

38. Inability to meet the quality standard norms prescribed by the central and state governments could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition, and cash flows.

The quality of the products being manufactured by us is open to independent verification by agencies of the central and state governments, or various other regulatory authorities. Regulatory authorities including

authorities under the Legal Metrology Act, 2009, may carry out inspection of our premises, plant, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product at short notice or without notice. The government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. For instance, we have in the past been penalized by the Legal Metrology department for alleged contravention of certain provisions of the Legal Metrology Act, 2009 and the rules notified thereunder and there can be no assurance that we will not be similarly penalised in the future. Failure on our part to adhere to the quality norms prescribed by the government agencies could lead to recall of those batches and / or the products in the relevant state, or we may be liable to pay a penalty. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

39. Our company is still in the process of compiling information with respect to Total Outstanding Due to MSME Creditors.

As on the date of filing of this Draft Letter of Offer, our Company is still in the process of compiling information with respect to Total Outstanding Due to MSME Creditors. Further, details pertaining to amounts due towards our creditors are not available on the website of our Company. Our inability to accurately forecast the total number of MSME Creditors and total amount due to them could adversely affect our business operations and cash flows and also affect our ability to continue to manage and expand our business.

40. Our success depends in large part upon our qualified personnel, including our senior management, directors and key personnel and our ability to attract and retain them when necessary.

Our operations are dependent on our ability to attract and retain qualified personnel. While we believe that we currently have adequate qualified personnel, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. The loss of the services of our qualified personnel may adversely affect our business, results of operations and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the qualified employees that our business requires. Furthermore, our senior management team is integral to the success of our business. However, we cannot assure you that we will be able to retain any or all of our management team. Any loss of our senior management or key personnel or our inability to recruit further senior managers or other key personnel could impede our growth by impairing our day-to-day operations and hindering our development of ongoing and planned projects and our ability to develop, maintain and expand customer relationships.

41. We will continue to be controlled by our Promoters and certain related entities after the completion of the Issue.

As of the date of this Draft Letter of Offer, our Promoters and Promoter Group hold 54.97 % of the issued, subscribed and paid-up equity share capital of our Company. Upon completion of this issue, our Promoters and certain members of the Promoter Group together will own [*] % of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Board or shareholders for approval. After this Issue, our Promoters will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to the following:

- controlling the election of directors;
- controlling the selection of senior management;
- approving significant corporate transactions, including acquisitions and disposals of our assets or business, or change of control transactions;
- making overall strategic and investment decisions;
- approving our annual budgets; and
- amending our Memorandum and Articles of Association.

- 42. The interests of our Promoters and certain members of the Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and certain members of the Promoter Group could make decisions that may adversely affect our business operations, and hence the value of your investment in the Equity Shares. The shortage or non-availability of power facilities may adversely affect our business and have an adverse impact on our results of operations and financial condition.**

Our business processes require power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented / augmented by alternative / independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any defaults or non-compliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Further since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power.

Any disruption / non-availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

- 43. Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations, financial condition, and cash flows. Our business depends on our estimate of the demand for our products from dealers.**

We estimate demand for our products based on market projections. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in delayed or non-fulfillment of purchase orders resulting in loss of dealers, goodwill and business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations. In addition, if our products do not achieve widespread acceptance, or our dealers change their procurement preferences, we may be required to incur significant inventory markdowns, or may not be able to sell the products at all, which would affect our business, results of operations and financial condition.

- 44. We face competition in our business from organized players, which may adversely affect our business operation and financial condition.**

The market in which our company is doing business is highly competitive on account of organized players. Players in this industry generally compete with each other on key attributes such as technical competence, experience, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

- 45. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.**

Our business is highly dependent on economic and market conditions in India and other jurisdictions where we operate. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short- term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian

economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

46. If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and growth could be adversely affected.

Our industry is characterized by increasingly complex and integrated services, new and changing business models and rapid technological and regulatory changes. Our clients' needs and demands for our services evolve with these changes. Our future success will depend, in part, on our ability to respond to our clients' demands for new services, capabilities and technologies on a timely and cost-effective basis. We also need to adapt to technological advancements and keep pace with changing regulatory standards to address our clients' increasingly sophisticated requirements. Transitioning to these new technologies may be disruptive to our resources and the services we provide and may increase our reliance on third-party service providers. If we fail to adapt or keep pace with new technologies in a timely manner, provide customers with better services and user experience, or retain and attract skilled technology staff, it could harm our ability to compete, decrease the value of our services to our clients, and adversely affect our business and future growth.

47. Major fraud, lapses of internal control or system failures could adversely impact the company's business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

48. We continue to explore the diversification of our business and the implementation of new services. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and / or starting new services. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

49. Our inability to manage growth could disrupt our business and reduce our profitability. We propose to expand our business activities in coming financial years.

We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- Our ability to acquire and retain clients for our services;
- Services, products or pricing policies introduced by our competitors;
- Capital expenditure and other costs relating to our operations;
- The timing and nature of, and expenses incurred in, our marketing efforts;

- Recruiting, training and retaining sufficient skilled technical and management personnel;
- Adhering to our high quality and process execution standards;
- Maintaining high levels of customer satisfaction;
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

50. We are subject to Foreign Exchange Rate fluctuation and strict compliance of The Foreign Exchange Regulations Act, 1973 (FERA) and the provisions of FEMA.

As a part of our activity, sometimes we may require to import materials from foreign countries for which we have to make payment in foreign currency. We have to face the foreign exchange fluctuation risk. We have to also comply with the strict provisions of FERA and FEMA. Any fluctuation in foreign exchange and noncompliance of the provisions will lead to financial loss and strict disciplinary and punitive action against the company which affect our liquidity, reputation and business operations and profitability of our company.

51. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks such as information regarding market, customers and proposed policy changes. Such data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage risks. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we may face. Largely, our risk management is based on the study of historical market behavior and as a result these studies may not predict the future risks exposures. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and the results of operations.

52. Our Company has a negative cash flow in its Operating Activities in the financial year ended March 2023 and 2024, from Investing and Investing Activities in the financial year ended March 2022 and 2024 and in the stub period of financial year 2024-25, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating activities as well as investing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

| Particulars | For the period ended September 31, 2024 | For the year ended March 31, | | |
|--|---|------------------------------|---------|---------|
| | | 2024 | 2023 | 2022 |
| Net cash (used in) / generated from operating Activities | 184.92 | (185.02) | (96.38) | 51.71 |
| Net cash (used in) / generated from investing Activities | (140.56) | (454.40) | 11.34 | (85.22) |
| Net cash (used in) / generated from financing Activities | 51.44 | 1100.55 | 27.89 | 6.48 |
| Net increase / (decrease) in cash and cash Equivalents | 95.80 | 461.13 | (57.15) | (27.03) |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations. For further details please see chapter titled "**Financial Information**" on page 114.

53. We have entered into related party transactions in the past and may continue to do so in the future.

Our Company has entered into various transactions with our Promoters and associate companies. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter "*Related Party Transactions*" beginning on page 111 of this Draft Letter of Offer.

54. We have applied for registration of names of our Products and do not own the trademark legally as on date. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights.

We have registered names of our Products under the provisions of the Trademarks Act, 1999 and do own the trademark as on date. We do enjoy the statutory protections accorded to a registered trademark as on date of this Draft letter of Offer. We have made an application with the Trade Marks Registry, for registration of our logo and corporate name under the provisions of the Trade Marks Act, 1999. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

55. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

56. The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.

Time is often of the essence in our business work. In the event there are delays in our current or future service, we will not be able to get extensions from our customers. Further, in some contracts, in case of delay due to deficiency in services by us, clients may have the right to complete the work at our risk and cost by engaging a third party. In the event we fail to perform under the terms of a particular contract that could adversely affect our financial conditions and business operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

57. Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.

Our business is exposed to the risk of employee misappropriation, fraud or misconduct. Our employees could make improper use or disclose confidential information, which could result in regulatory sanctions and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such

activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance companies, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

58. Our operations may be adversely affected in case of industrial accidents at our working sites.

Usage of heavy machinery, handling of sharp parts of machinery by labour during production processor otherwise, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further, our plant and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

59. Our operating expenses include overheads that may remain fixed in the medium term. In case there is any decline in our operating performance, we may be unable to reduce such expenses.

Our operating expenses include various fixed costs, which are as such, not dependent on sales revenue. Any shortfall in sales may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in sales may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Accordingly, we believe that period-to-period comparisons of our results may not necessarily give a correct presentation of the performance and should not be relied upon as indications of future performance.

60. Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.

In the event, our client's default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

61. Our insurance coverage may not adequately protect us against losses, and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

62. There are no alternate arrangements for meeting our requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not yet identified any alternate source of funding and hence any failure or

delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer chapter titled “*Objects of the Issue*” on page 52 of this Draft Letter of Offer.

63. Our actual results could differ from the estimates and projections used to prepare our financial statements.

The estimates and projections are based on and reflect our current expectations, assumptions and / or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and / or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

64. Guarantees from Promoters & Director as well as others have been taken in relation to the debt facilities provided to us.

In an event any of the guarantors withdraws or terminates this guarantee, the lender for such facilities may ask for alternate guarantee / s, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantee / s satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholder’s investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 112 of this Draft Letter of Offer.

66. Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm the results of operations and our financial condition.

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, through collaborations, tie-ups, strategic alliances, partnerships or joint venture across the country and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and negotiating with several potential partners, we have not entered into any definitive agreements. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and marketing functions and the diversion of management’s time and focus from operating our business to addressing challenges pertaining to acquisition and integration. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could result in our failure to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally

- 67. Our future funds requirements, in the form of fresh issue of capital or securities and / or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.**

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

- 68. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.**

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 69. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of Our Company.**

Since, the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of Our Company and Our Company's management will have flexibility in applying the proceeds of the Issue and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, the Company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard.

- 70. Negative publicity could adversely affect our revenue model and profitability.**

We work in the market where trust of the customers on us and upon the services provided by us matters a lot. Any negative publicity regarding our company or the services rendered by the company due to any other unforeseen events may affect our reputation and image which leads to the adverse effect on our business and goodwill as well.

- 71. Pharma Industry information included in this Draft Letter of Offer has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

72. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we incur significant legal, accounting, corporate governance and other expenses. We are also subject to the provisions of the SEBI Listing Regulations and listing agreement signed with the Stock Exchange which require us to file Limited Reviewed/Audited financial Results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision is required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will always be able to satisfy our reporting obligations and/ or readily determine and report any changes to our results of operations in a timely manner due to unavoidable circumstances that we may face. In addition, we may need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner as and when required to do so.

Issue Specific Risks:

73. We will not distribute this the Draft Letter of Offer, the Abridged Draft Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars our Company will send, only through email, this Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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 permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

74. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and May 19, 2022 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, April 22, 2021 and May 19, 2022, as applicable ("SEBI Rights Issue Circular") and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 184.

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 Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise of 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) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form.

76. Failure to exercise or sell the Rights Entitlements due to non-receipt of Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and other Issue related matter.

In accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and other applicable SEBI Circulars from the time being issued, this Draft Letter of Offer will be submitted to BSE for obtaining In-principle approval in connection with this Issue & Public dissemination of the same of website of BSE Limited. In addition to this, DLOF shall also be made available on the website of the Company & its Registrar. Further, Letter of Offer, Abridged Letter of Offer, Application Form and other Issue related matter shall also be made available for the eligible equity shareholders and the renounces on the website of BSE Limited, the Company & its Registrar. Letter of Offer, Abridged Letter of Offer and Application Form shall also be sent to eligible equity shareholders via email on their email IDs register with the Company/ its RTA and/ or the Depositories. Hence members are hereby requested to register their E-mail addresses with their Depository Participant or with RTA of the Company, for insuring receipt of issue related materials. Those members who have changed their E-mail ID/ Addresses are requested to update their new E-mail ID / Addresses with the Depository Participants, in case they have not already updated the same Only to those eligible equity shareholders whose email IDs are not available shall be set hard copy of Abridged Letter of Offer and Application Form to the Address available with the Company/ RTA/ Depositories. 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 or renounces will not receive any consideration for them. Please note that neither the Company, its RTA & other persons associated in connection with the issue shall be held liable for any loss that may be caused to eligible equity shareholders, renounces due to failure to exercise, renounce the rights entitlements due to non-receipt or delay in receipt or misplacement in the transit of all or any of the issue related materials.

77. 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. For details, see "Terms of the Issue" on page 184.

78. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market

price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline

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

Being listed, we are subject to circuit breakers imposed by stock exchange on which equity shares are listed, i.e. BES Limited, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and same may be changed without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

80. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to the Pharma Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and
- g. Significant developments in India's environmental regulations.

Current valuation may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are traded prior to this issue will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Equity Shares issued pursuant to this issue will be listed on the Stock Exchange where existing equity shares of the Company are listed, i.e. BSE Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Letter of Offer. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In case the permission of listing the Equity Shares is denied by the stock exchange, we are required to refund all monies collected to investors.

82. The Issue price of our Equity Shares may not be indicative of the market price of our Equity shares after the issue.

The market price of our Equity Shares could be subject to significant fluctuation after this issue. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue price.

Some of the factors which may affect our share price without limitations are as follows:

- Reports on research by analysts.
- Changes in revenue.
- Variations in growth rate of our financial indicators such as earning per share, income, profit etc.
- General Market Condition
- Domestic and International Economy.

83. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

84. Investors will not have the option of getting the allotment of Equity Shares in physical form.

In accordance with the Companies Act 2013, SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see “Terms of the Issue” on page 184. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by way of passing a special resolution by holders or Company has obtained government approval to issue without such rights or in any other manner permitted by Indian Law. However, if the law of the jurisdiction that you are

in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. In such case, we may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you under Indian law. To that extent, you may be unable to exercise pre-emptive rights granted in respect of the Equity Shares and your proportional interests in us may be reduced.

EXTERNAL RISKS

Industry Related Risks:

86. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

87. Malpractices by some players in the industry affect overall performance of emerging Companies

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to

safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

Other Risks:

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchange will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019 and have come into effect from July 01, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

89. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Letter of Offer.

As stated in the reports of the Auditor included in this Draft Letter of Offer under chapter "**Financial Statements as Restated**" beginning on page 113 the financial statements included in this Draft Letter of Offer are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations wherever required, and no attempt has been made to reconcile any of the information given in this Draft Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Letter of Offer. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

90. The new bankruptcy code in India may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016 ("Bankruptcy Code") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the debtors of our Company, it may affect our Company's ability to recover out standings and same will be done as per the Bankruptcy Code.

Further, the GoI vide notification dated March 24, 2020 ("Notification") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000.

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

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

92. Financial instability in Indian Financial Markets could adversely affect our Company's results of operation and financial condition.

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

93. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and our industry contained in this Draft Letter of Offer.

While facts and other statistics in this Draft Letter of Offer relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies and elsewhere that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Our Industry*" beginning on page 58 of this Draft Letter of Offer. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to

statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

94. 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 a magnitude, which may negatively affect our stock prices.

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

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

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

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

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

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

98. 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.

SECTION IV – INTRODUCTION THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board at its meeting held on January 08, 2025 to raise funds by issuance and allotment of equity shares for aggregate amount of up to Rs. 50 Crores (Rupees Fifty Crores), by way of Right Issue on such terms to be decided by the Board or a duly constituted committee of the Board at a later date pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on [*].

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 184 of this Draft Letter of Offer.

| Particulars | Details of Equity Shares |
|---|--|
| Equity Shares proposed to be issued | Up to [*] Equity Shares |
| Rights Entitlement | [*] Equity Share for every [*] fully paid-up Equity Share(s) held on the Record Date [*] |
| Fractional Entitlement | As the rights issue is [*] right share for every [*] share held, there is no fractional 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 |
| Issue Price per Rights Equity Shares | ₹ [*] per Equity Share (including a premium of ₹ [*] per Equity Share) |
| Issue Size | Issue not exceeding ₹ [*]# #Assuming full subscription, to be adjusted as per the Rights Entitlement Ratio |
| Voting Rights and Dividend | The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the existing Equity Shares of our Company. |
| Equity Shares issued, subscribed and paid up prior to the Issue | 1,15,59,792 Equity Shares. For details, see “ <i>Capital Structure</i> ” beginning on page 50 of this Draft Letter of Offer |
| Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) | [*] Equity Shares |
| Money payable at the time of Application | ₹ [*] |
| Scrip Details | ISIN: INE013V01011 Rights Entitlement ISIN: [*] BSE: 543963 |
| Use of Issue Proceeds | For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 52 of this Draft Letter of Offer. |
| Terms of the Issue | For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 184 of this Draft Letter of Offer. |

Issue Schedule

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

| | |
|--|-----|
| Issue Opening Date | [*] |
| 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

Our Company was originally converted from a Partnership Firm “M/s. Shelter Pharma” to a Public Limited Company as “Shelter Pharma Limited” on October 12, 2007 under the Companies Act, 1956 in the state of Gujarat, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our Company since the incorporation is engaged in pharmaceutical sector. With a legacy spanning over four decades at Shelter, we believe in curing naturally. Our extensive range of herbal remedies have cured millions around the world, safely and effectively. At Shelter, our mission is to serve our customers with safe, superior and cost-effective natural remedies, through continuous education and research.

Registered Office, Corporate Identification Number and registration number of our Company

| | |
|--|--|
| Company | Shelter Pharma Limited |
| Registered Office Address | Shelter Nagar, Nr. S. T. Bus Stand, Himmatnagar, Gujarat, India, 383001. |
| Corporate Office Address | 5th Floor, 501 Sakar 4, Opp. MJ Library, Ashram Road, Paldi, Ellisbridge, Ahmedabad, Gujarat, India, 380006. |
| Contact Number | +91 2772 240108/246995 |
| Email-ID | info@shelter.co.in |
| Website | https://shelter.co.in/ |
| Corporate Identification Number | L24233GJ2007PLC051956 |
| Registration Number | 051956 |
| BSE Scrip ID | SHELTER |
| BSE Scrip Code | 543963 |
| ISIN No. of Equity Shares | INE013V01011 |

Address of the ROC

Our Company is registered with the ROC, Ahmedabad, which is situated at the following address:

Registrar of Companies, Ahmedabad

ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura, Ahmedabad- 380013,
Gujarat

Email: roc.ahmedabad@mca.gov.in

Website: www.mca.gov.in

Company Secretary and Compliance Officer:

[*]

Email:

Tel No:

Chief Financial Officer:

Mr. Mohammedrafiq Gulamnabi Shaikh

5th Floor, 501 Sakar 4, Opp. MJ Library, Ashram Road,
Paldi, Ellisbridge, Ahmedabad, Gujarat, India, 380006.

Tel: 0277-2296038

Email: rafiq@shelter.co.in

Board of Directors of our Company

| NAME | AGE | DESIGNATION | ADDRESS | DIN |
|--------------------------------------|-----|--|---|----------|
| Mr. Mustaqim Nisarahmed Sabugar | 47 | Managing Director | 310 Shan E Burhan Appartment, Near Mercury Garrage Mirzapur, Opp. Hanumanji Mandir, Ahmedabad, Gujarat - 380001 | 01456841 |
| Mr. Shakil Nisarahmed Sabugar | 42 | Whole Time Director | Navagara Street, Nani Vahorwad Himmatnagar, Sabarkantha, Gujarat-383001, India | 01474868 |
| Ms. Parvezbanu Mohamed Rafiq Idariya | 50 | Non-Executive Non-Independent Director | 4, Taibah Street, Pologround, Himatnagar- 383001 | 01470286 |
| Mr. Mosinkhan Gafarkhan Pathan | 37 | Non-Executive Independent Director | 2293/6, Inside Patherwali Masjid, Khanpur, Ahmedabad - 380001 | 10039962 |
| Mr. Riyajahmed Abdulrauf Sabugar | 47 | Non-Executive Independent Director | Miyasab Street, Nani Vahorwad, Moti Masjid, Himatnagar - 383001 | 10039965 |

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 85 of this Draft Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company:

Registrar to the Company and the Issue:

M/s. Bigshare Services Private Limited

S6-2, 6th Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India

Tel: +91 – 22 – 6263 8200

Email: rightsissue@bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Sujit Haldar

SEBI Registration No.: INR000001385

CIN: U99999MH1994PTC076534

Validity of Registration: Permanent

Banker to the Issue:

[*]

Address:

Contact

person:

Website:

E-mail:

Statutory and Peer Review Auditor of the Issuer:

M/s. Mendajiwala & Co., Chartered Accountants,
539, 540 Sheetal Varsha, Mahavir Business Park, Nr.
Jamalpur Cross Road, Behrampura, Ahmadabad- 380022,
Gujarat

Tel No.: 079-25353444

E-mail: mendajiwala1011@yahoo.com

Contact Person: Mr. Mohammedsoel N. Mendajiwala

Membership No.: 146324

Firm Registration No.: 135065W

Peer Review No: 014509

Designated Intermediaries:

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs or the SBA 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.

Inter-se Allocation of Responsibilities

Since the Company is not required to appoint any Merchant Banker as Lead Manager for this Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

Expert Opinion

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

Our Company has received written consent dated January 17, 2025 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its

- (i) Audit report dated May 24, 2024 on our Audited Financial Statements for the financial year ended March 31, 2024,
- (ii) Limited Review Report dated October 30, 2024 on our Limited Review Financial Results for the quarter and nine months ended September 31, 2024,
- (iii) Statement of Special Tax Benefits dated January 20, 2025 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Investor Grievances

Investors may contact Company Secretary and Compliance Officer or Chief Financial Officer of the Company or Registrar to the Issue for any pre-Issue/ post- Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ DEMAT credit/ Refund Orders/unblocking of ASBA Account, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (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 of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, "**Terms of the Issue**" beginning on page 137 of this Draft Letter of Offer.

Credit Rating

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

Debenture Trustees

As this is an Issue of Equity Shares, appointment of Debenture Trustee is not required.

Monitoring Agency

As the net proceeds of the Issue will be less than Rs. 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 SEBI (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 10 (Ten) Crores to Rupees 50 (Fifty) Crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the designated stock exchange BSE Limited and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Underwriting Agreement and Details

This Issue shall not be underwritten, and our Company has not entered into any underwriting arrangement.

Changes in Auditors during the last three years

| Name of Auditor | Address and E-mail | Date of Appointment / Cessation/ Resignation | Reason |
|--|---|--|--|
| M/s. A Alwani & Co, Chartered Accountants | <u>Address:</u> A - 249/250, Sakar VII, Nehru Bridge Corner, Ashram Road. <u>E-mail:</u> amrinhimani.co@gmail.com | 25/07/2022 (Date of Resignation) | Tendered resignation due to Pre-occupation |
| M/s. Mendajiwala & Co. Chartered Accountants | <u>Address:</u> 539, 540 Sheetal Varsha, Mahavir Business Park, Nr. Jamalpur Cross Road, Behrampura, Ahemdabad – 380 022 <u>E-mail:</u> mendajiwala1011@yahoo.com | 19/08/2022 (Date of Appointment) | Auditor appointed at Extra-Ordinary General Meeting to fill casual vacancy case by resignation of earlier Statutory Auditor. |
| M/s. Mendajiwala & Co. Chartered Accountants | <u>Address:</u> 539, 540 Sheetal Varsha, Mahavir Business Park, Nr. Jamalpur Cross Road, Behrampura, Ahemdabad – 380 022 <u>E-mail:</u> mendajiwala1011@yahoo.com | 30/09/2022 (Date of Appointment) | Appointment of auditor at Annual General Meeting.* |

*Appointment of M/s. Mendajiwala & Co. Chartered Accountants as Statutory Auditors is valid till the AGM to be held for the Financial Year ended 2027

Issue Schedule

| | |
|---|-----|
| Last Date for credit of Rights Entitlements | [*] |
| Issue Opening Date | [*] |
| Last date for On Market Renunciation of Rights Entitlements # | [*] |
| Issue Closing Date* | [*] |
| Finalization of Basis of Allotment (on or about) | [*] |
| Date of Allotment (on or about) | [*] |

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.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [*] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [*]. Our Company or the Registrar will not be liable for any loss on account of non-submission of details of demat accounts on or before the Issue Closing Date.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see "**Terms of the Issue - Procedure for Application**" beginning on page 184 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "**Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" beginning on page 184 of this Draft Letter of Offer.

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

Minimum Subscription

Our Promoters and Promoter Group have vide their letters each dated January 17, 2025 confirmed that they (i) may subscribe to their Rights Entitlements in the Issue or may renounce their Rights Entitlements in part or in full, in favour of the Promoters or other members of our Promoter Group or in favor of existing shareholders of the Company or a third party; or (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlements acquired through renunciation, either individually or jointly and/ or severally with the Promoters or any other members of the Promoter Group, subject to compliance with the Companies Act, 2013 & other applicable provisions.

Subscription by our Promoters and Promoter Group for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein will be fulfilled in accordance with provisions of the Takeover Regulations.

Further, since size of this Issue shall not exceed Rs. 50 crore, SEBI ICDR Regulations shall not be applicable to this issue. Hence, minimum subscription of 90% in accordance with Regulation 86 of the SEBI ICDR Regulations will not be applicable to this Issue. However, if any portion is unsubscribed, the same may be subscribed by the Promoter and/ or Promoter Group. Furthermore, in the event such unsubscribed portion is not subscribed by the Promoter and/ or Promoter Group also, then in such case, the Board of Directors may offer unsubscribed portion to any third party at their liberty.

Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Appraising Entity

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

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

| No. | Particulars | Amount (Rs.) | |
|-----|---|-------------------------|--------------------------------|
| | | Aggregate nominal value | Aggregate value at Offer Price |
| A. | Authorized Share Capital* | | |
| | 2,50,00,000 Equity Shares of ₹ 10/- each | 25,00,00,000 | - |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 1,15,59,792 Equity Shares of ₹ 10/- each | 11,55,97,920 | - |
| C. | Present Issue in terms of this Draft Letter of Offer | | |
| | Offer of [*] Equity Shares of Face Value ₹10/- each at a premium of [*] per share at a Price of [*] per Right Equity Share including Share premium. | [*] | [*] |
| D. | Issued, subscribed and paid-up Equity Share Capital after the Issue# | | |
| | [*] Equity Shares ₹10.00/- each | [*] | |
| E. | Securities Premium /Share Premium Account | | |
| | Before the Issue | 12,21,12,000 | |
| | After the Issue# | [*] | |

assuming full subscription for and Allotment of the Equity Shares

- (i) The present Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held January 08, 2025.
- (ii) The Equity Share Capital after the Issue includes the full value of the Rights Equity Shares allotted in the Issue.
- (iii) On Application, Investors will have to pay Rs. [*] per Rights Equity Share which constitutes 100% of the Issue Price.

Notes to Capital Structure

1. Details of outstanding instruments as on the date of this Draft Letter of Offer:

As on date of this Draft Letter of Offer, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. Further, it has not issued any convertible securities which are outstanding as of date of this Draft Letter of Offer.

2. Details of Equity Shares held by the promoters and promoter group including the details of lock-in pledge of and encumbrance on such Equity Shares:

The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE.

3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer.

No Equity Shares have been acquired by the any Promoters or members of the Promoter Group in the last one year immediately preceding the date of this Draft Letter of Offer.

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

Our Promoters and Promoter Group have vide their letters each dated January 17, 2025 confirmed that they (i) may subscribe to their Rights Entitlements in the Issue or may renounce their Rights Entitlements in part or in full, in favour of the Promoters or other members of our Promoter Group or in favor of existing shareholders of the Company or a third party; or (ii) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlements acquired through renunciation, either individually or jointly and/ or severally with the Promoters or any other members of the Promoter Group, subject to compliance with the Companies Act, 2013 & other applicable provisions.

Subscription by our Promoters and Promoter Group for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein will be fulfilled in accordance with provisions of the Takeover Regulations.

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [*] per equity share.
6. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations
7. The shareholding pattern of our Company, as on September 30, 2024, can be accessed on the website of the BSE on the below link:
<https://www.bseindia.com/stock-share-price/shelter-pharma-ltd/shelter/543963/shareholding-pattern/>
8. The statement showing holding of securities of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2024 can be accessed on the website of the BSE on the below link:
<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=543963&qtrid=123.00&QtrName=Sep-24>
9. At any given time, there shall be only one denomination of the Equity Shares of our Company.
10. 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.

OBJECTS OF THE ISSUE

This Issue comprises of an issue of up to [*] Equity Shares, aggregating up to [*] by our Company.

Our Company intends to utilize the proceeds of the Issue towards the following objects:

1. To meet working capital requirement for expansion of business for Indian market and Export,
 2. General Corporate Purposes,
 3. To meet the expenses of the Issue.
- (Collectively, referred to hereinafter as the "Objects")

We intend to utilize the gross proceeds raised through the Issue (the "Issue Proceeds") after deducting the Issue related expense ("Net Proceeds") for the above-mentioned Objects.

The main Object Clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our Memorandum of Association.

The details of objects of the Issue

| Particulars | Amount ((₹ in lakhs) |
|--|----------------------|
| Gross proceeds from the Issue [#] | 1,300/- |
| Less: Issue related expenses | [●] |
| Total Net Proceeds of the Issue | [●] |

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

Requirement of Funds:

| Sr. No. | Particulars | Total estimated amount to be utilized (₹ in lakhs) |
|---------|--|--|
| 1. | To meet working capital requirement for expansion of business for Indian market and Export | [●] |
| 2. | General Corporate Purposes* | [●] |
| | Total Net proceeds of the Issue | [●] |

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

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds and internal accruals. 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, excluding the amount to be raised from the Issue.

Utilization of Net Proceeds

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

(₹ in lakhs)

| | | |
|----|--|------------|
| 1. | To meet working capital requirement for expansion of business for Indian market and Export | [●] |
| 2. | General Corporate Purposes | [●] |
| | Total Net proceeds of the Issue | [●] |

Proposed Schedule of Implementation and Deployment of Gross Proceeds

The following table provides the schedule of utilisation of the Net Proceeds:

(Rs. In Lakhs)

| Objects of the Issue | Amount Proposed to be Funded from Net Proceeds | Proposed Schedule for deployment of the Net Proceeds | |
|--|--|--|------------|
| | | FY 2024-25 | FY 2025-26 |
| To meet working capital requirement for expansion of business for Indian market and Export | [●] | [●] | [●] |
| General corporate purposes | [●] | [●] | [●] |
| Issue expenses | [●] | [●] | [●] |
| Total * | [●] | [●] | [●] |

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

In view of the competitive environment of the industry in which we operate, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

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 or business strategy.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds may 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 may be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

In the event that the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilisation specified above, the same would be utilized in subsequent Financial Years for achieving the objects of the Issue.

Details of the Objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

1. To meet working capital requirement for expansion of business for Indian market and Export.

Our business is working capital intensive. We intend to meet our working capital requirements to the extent of ₹ [*] from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

2. General Corporate Purpose

In terms of Regulation 62(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for General Corporate Purposes shall not in the aggregate exceed 25% of the Gross Proceeds of the Issue. Our Board will have flexibility in applying the balance amount after utilizing the amount for acquisition of business targets towards General Corporate Purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

Our management will have flexibility in utilizing any amounts for General Corporate Purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount available under this head and the business requirements of our Company, from time to time.

Estimated Expenses for the issue

The Issue related expenses consist of fees payable to Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ [*] lakhs towards these expenses, a break-up of the same is as follows:

| <i>(₹ in lakhs)</i> | | | |
|--|-------------------|---------------------|----------------------|
| Activity | Estimated Expense | % of Total Expenses | As a % of Issue size |
| Fees payable to the intermediaries (including Legal Counsel fees, selling commission, registrar fees and expenses) | [*] | [*] | [*] |
| Fee payable to the Registrar to the Issue, Regulators, including Stock Exchanges, Depositories | [*] | [*] | [*] |
| Advertising, Printing, stationery and distribution Expenses | [*] | [*] | [*] |
| Statutory and other Miscellaneous Expenses | [*] | [*] | [*] |
| Total | [*] | [*] | [*] |

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Bridge Financing Facilities

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

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds and shall furnish to

the Stock Exchange, on a quarterly basis, a statement on material (i) deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

Interim Use of Proceeds and Details of fund deployment

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in one or more scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 or in any debt funds / instruments as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors or Key Management Personnel are interested in the Objects of the Issue. Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

Strategic or financial partners

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

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO SHELTER PHARMA LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

Date: 20/01/2025

To,
The Board of Directors
Shelter Pharma Limited
Shelternagar, Opp. Bus Stand,
Himatnagar – 383001, Gujrat

Sub: Statement of possible tax benefits available to the company and its shareholders under the direct and indirect tax laws

We refer to the rights issue offering of equity shares (the "offer") of Shelter Pharma Limited ("the Company").

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company 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. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

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

This statement is intended solely for information and for inclusion in the Draft Letter of Offer/ Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

**For Mendajiwala & Co.,
Chartered Accountants,
FRN: 0135065W
Sd/-
Name: MOHAMMEDSOEL N MENDAJWALA
Designation: Proprietor
Membership No.: 146324**

**Date: 20.01.2025
Place: Ahemdabad
UDIN: 25146324BMGXUD7227**

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

I. Special Tax Benefits available to the Company under the Act:

There are no special tax benefits available to the Company.

II. Special Tax Benefits available to the Shareholders under the Act:

There are no special tax benefits available for the shareholders of the Company under the provisions of the Act.

**For Mendajiwala & Co.,
Chartered Accountants,
FRN: 0135065W
Sd/-
Name: MOHAMMEDSOEL N MENDAJWALA
Designation: Proprietor
Membership No.: 146324**

**Date: 20.01.2025
Place: Ahemdabad
UDIN: 25146324BMGXUD7227**

SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.

GLOBAL ECONOMY AT LARGE

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Chapter 2 explains that changes in mortgage and housing markets over the pre-pandemic decade of low interest rates moderated the near-term impact of policy rate hikes. Chapter 3 focuses on medium-term prospects and shows that the lower predicted growth in output per person stems, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Chapter 4 further indicates how dimmer prospects for growth in China and other large emerging market economies will weigh on trading partners.

The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening.

Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Moreover, the inflation surge—despite its severity and the associated cost-of-living crisis—did not trigger uncontrolled wage-price spirals (see October 2022 World Economic Outlook). Instead, almost as quickly as global inflation went up, it has been coming down. On a year-over-year basis, global growth bottomed out at the end of 2022, at 2.3 percent, shortly after median headline inflation peaked at 9.4 percent.

According to our latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025. Most indicators point to a soft landing. Markets reacted exuberantly to the prospect of central banks exiting from tight monetary policy. Financial conditions eased, equity valuations soared, capital flows to most emerging market economies excluding China have been buoyant, and some low-income countries and frontier economies regained market access (see the April 2024 Global Financial Stability Report).

Even more encouraging, we now estimate that there will be less economic scarring from the pandemic—the projected drop in output relative to pre-pandemic projections—for most countries and regions, especially for emerging market economies, thanks in part to robust employment growth. Astonishingly, the US economy has already surged past its pre-pandemic trend.

First, while inflation trends are encouraging, we are not there yet. Somewhat worryingly, the most recent median headline and core inflation numbers are pushing upward. This could be temporary, but there are reasons to remain vigilant. Most of the progress on inflation came from the decline in energy prices and goods inflation below its historical average. The latter has been helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But services inflation remains high—sometimes stubbornly so—and could derail the disinflation path. Bringing inflation down to target remains the priority.

Second, the global view can mask stark divergence across countries. The exceptional recent performance of the United States is certainly impressive and a major driver of global growth, but it reflects strong demand factors as well, including a fiscal stance that is out of line with long-term fiscal sustainability (see April 2024 Fiscal Monitor). This raises short-term risks to the disinflation process, as well as longer-term fiscal and financial stability risks for the global economy since it risks pushing up global funding costs. Something will have to give. In the euro area, growth will pick up this year, but from very low levels, as the trailing effects of tight.

Third, even as inflation recedes, real interest rates have increased, and sovereign debt dynamics have become less favorable in particular for highly indebted emerging markets. Countries should turn their sights toward rebuilding fiscal buffers. Credible fiscal consolidations help lower funding costs and improve financial stability. In a world with more frequent adverse supply shocks and growing fiscal needs for safety nets, climate adaptation, digital transformation, energy security, and defense, this should be a policy priority. Yet this is never easy, as the April 2023 World Economic Outlook documented: fiscal consolidations are more likely to succeed when credible and when implemented while the economy is growing, rather than when markets dictate their conditions. In countries where inflation is under control, and that engage in a credible multiyear effort to rebuild fiscal buffers, monetary policy can help support activity. The successful 1993 US fiscal consolidation and monetary accommodation episode comes to mind as an example to emulate.

Fourth, medium-term growth prospects remain historically weak. Chapter 3 of this report takes an in-depth dive into the different drivers of the slowdown. The main culprit is lower total factor productivity growth. A significant part of the decline comes from increased misallocation of capital and labor within sectors and countries. Facilitating faster and more efficient resource allocation can help boost growth. Much hope rests on artificial intelligence (AI) delivering strong productivity gains in the medium term. It may do so, but the potential for serious disruptions in labor and financial markets is high. Harnessing the potential of AI for all will require that countries improve their digital infrastructure, invest in human capital, and coordinate on global rules of the road. Medium-term growth prospects are also harmed by rising geoeconomic fragmentation and the surge in trade restrictive and industrial policy measures since 2019. Global trade linkages are already changing as a result, with potential losses in efficiency. But the broader damage is to global cooperation and multilateralism.

Finally, huge global investments are needed for a green and climate-resilient future. Cutting emissions is compatible with growth, as is seen in recent decades during which growth has become much less emissions intensive. Nevertheless, emissions are still rising. A lot more needs to be done and done quickly. Green investment has expanded at a healthy pace in advanced economies and China. Cutting harmful fossil fuel subsidies can help create the necessary fiscal room for further green investments. The greatest effort must be made by other emerging market and developing economies, which need to massively increase their green investment growth and reduce their fossil fuel investment. This will require technology transfer by other advanced economies and China, as well as substantial financing, much of it from the private sector, but some of it concessional.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

Global activity has proved surprisingly resilient:

Global growth in 2023 continued at an annual rate above 3%, despite the drag exerted by tighter financial conditions and other adverse factors, including Russia's war of aggression against Ukraine and the evolving conflict in the Middle East. Global GDP growth is projected at 3.1% in 2024 and 3.2% in 2025, little changed from the 3.1% in 2023. This is weaker than seen in the decade before the global financial crisis, but close to currently estimated potential growth rates in both advanced and emerging market economies.

Headline inflation in the OECD is projected to gradually ease from 6.9% in 2023 to 5.0% in 2024 and 3.4% in 2025, helped by tight monetary policy and fading goods and energy price pressures. By the end of 2025, inflation is expected to be back on central bank targets in most major economies.

GDP growth in the United States is projected to be 2.6% in 2024, before slowing to 1.8% in 2025 as the economy adapts to high borrowing costs and moderating domestic demand. In the euro area, which stagnated in the fourth quarter of 2023, a recovery in real household incomes, tight labour markets and reductions in policy interest rates will help generate a gradual rebound. Euro area GDP growth is projected at 0.7% in 2024 and 1.5% in 2025.

Growth in Japan should recover steadily, with domestic demand underpinned by stronger real wage growth, continued accommodative monetary policy and temporary tax cuts. GDP is projected to expand by 0.5% in 2024 and 1.1% in 2025.

China is expected to slow moderately, with GDP growth of 4.9% in 2024 and 4.5% in 2025, as the economy is supported by fiscal stimulus and exports.

“The global economy has proved resilient, inflation has declined within sight of central bank targets, and risks to the outlook are becoming more balanced. We expect steady global growth for 2024 and 2025, though growth is projected to remain below its longer-run average,” **OECD Secretary-General Mathias Cormann** said. “Policy action needs to ensure macroeconomic stability and improve medium-term growth prospects. Monetary policy should remain prudent, with scope to lower policy interest rates as inflation declines, fiscal policy needs to address rising pressures to debt sustainability, and policy reforms should boost innovation, investment and opportunities in the labour market particularly for women, young people and older workers.”

Significant uncertainty remains. Inflation may stay higher for longer, resulting in slower-than-expected reductions in policy interest rates and leading to further financial vulnerabilities. Growth could disappoint in China, due to the persistent weakness in property markets or smaller-than-anticipated fiscal support over the next two years. High geopolitical tensions remain a significant near-term risk to activity and inflation, particularly if the evolving conflict in the Middle East and attacks in the Red Sea were to widen or escalate. On the upside, demand growth could prove stronger than expected, if households and firms were to draw more fully on the savings accumulated during COVID-19.

Against this backdrop, the Outlook lays out a series of policy recommendations, highlighting the need to ensure a durable reduction in inflation, establish a budgetary path that will address rising fiscal pressures and undertake reforms that improve prospects for medium-term growth.

Monetary policy needs to remain prudent, to ensure that inflationary pressures are durably contained. Scope exists to lower policy interest rates as inflation declines, but the policy stance should remain restrictive in most major economies for some time to come.

Governments face rising fiscal challenges given high debt levels and sizeable additional spending pressures from population ageing, and climate adaptation and mitigation. Future debt burdens are likely to rise significantly if no action is taken, highlighting the need for stronger near-term efforts to contain

spending growth, improve public spending efficiency, reallocate spending to areas that better support opportunities and growth, and optimise tax revenues.

“The foundations for future output and productivity growth need to be strengthened by ambitious structural policy reforms to improve human capital and take advantage of technological advances,” OECD Chief Economist Clare Lombardelli said.

(Source: <https://www.oecd.org/newsroom/economic-outlook-steady-global-growth-expected-for-2024-and-2025.htm>)

INDIAN ECONOMY OUTLOOK

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to

Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023- 24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall. (Source: <https://www.ibef.org/economy/indian-economy-overview>)

INDIAN PHARMACEUTICAL INDUSTRY

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has highest number of pharmaceutical manufacturing facilities that comply with

the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights.

Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP.

According to a recent EY FICCI report, there has been a growing consensus over providing new innovative therapies to patients. Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030. Meanwhile, the global market size of pharmaceutical products was estimated to cross over the US\$ 1 trillion mark in 2023.

Market Size:

Market size of India pharmaceuticals industry is expected to reach US\$ 65 billion by 2024, ~US\$ 130 billion by 2030 and US\$ 450 billion market by 2047. According to the government data, the Indian pharmaceutical industry is worth approximately US\$ 50 billion with over US\$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

Indian hospital market valued at US\$ 98.98 billion in FY23 and projected to grow by 8% CAGR and reached to US\$ 193.59 billion by FY32.

India is among the top 12 destinations for biotechnology worldwide and 3rd largest destination for biotechnology in Asia Pacific. The country holds 3-5% of the global biotechnology industry pie. In 2022, India's bio economy was valued at US\$ 137 billion, and aims to achieve US\$ 300 billion mark by 2030. During FY18 to FY23, the Indian pharmaceutical industry logged a compound annual growth rate (CAGR) of 6-8%, primarily driven by an 8% increase in exports and a 6% rise in the domestic market.

The Indian pharmaceutical industry has seen a massive expansion over the last few years and is expected to reach about 13% of the size of the global pharma market while enhancing its quality, affordability, and innovation.

The biosimilar market in India is estimated to grow at a compounded annual growth rate (CAGR) of 22% to become US\$ 12 billion by 2025. This would represent almost 20% of the total pharmaceutical market in India.

India is the 3rd largest producer of API accounting for an 8% share of the Global API Industry. About 500+ different APIs are manufactured in India, and it contributes 57% of APIs to prequalified list of the WHO.

The current market size of the medical devices sector in India is estimated to be US\$ 11 billion and its share in the global medical device market is estimated to be 1.5%. The government has set ambitious target to boost the medical devices industry in India, aiming to elevate it from its current US\$ 11 billion valuation to US\$ 50 billion by 2030.

The domestic pharmaceutical sector expects sales to grow 8-10% in the financial year 2023-24, indicated an analysis done by CRISIL, a global analytical research and rating agency.

Indian pharma companies have a substantial share in the prescription market in the US and EU. The largest number of FDA-approved plants outside the US is in India.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030. India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and is expected to reach US\$ 150 billion by 2025. India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. The Indian pharmaceuticals industry is expected to grow 9-11% in the financial year 2024, as per ICRA.

In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US\$ 42 billion worldwide. In FY23, the Indian pharma market saw a year-on-year growth of nearly 5%, reaching US\$ 49.78 billion. During FY18 to FY23, the Indian pharmaceutical industry logged a compound annual growth rate (CAGR) of 6-8%, primarily driven by an 8% increase in exports and a 6% rise in the domestic market.

Exports

Pharmaceutical is one of the top ten attractive sectors for foreign investment in India. The pharmaceutical exports from India reach more than 200 nations around the world, including highly regulated markets of the USA, West Europe, Japan, and Australia. India supplied around 45 tones and 400 million tablets of hydroxychloroquine to around 114 countries globally.

India's exports of Drugs & Pharmaceuticals stood at US\$ 27.9 billion during FY24 and US\$ 7.2 billion in FY25 (April- June).

Exports of drugs and pharmaceuticals recorded a strong y-o-y growth of 9.7% during April-March FY24. India's drugs and pharmaceuticals exports stood at US\$ 27.82 billion in FY24 (April-March).

Exports of Drugs & Pharmaceuticals were estimated to be at US\$ 2.13 billion in January 2024, accounting for 5.8% of the total exports in the month.

India is the 12th largest exporter of medical goods in the world. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. Indian drug & pharmaceutical exports stood at US\$ 25.36 billion in FY23, US\$ 24.60 billion in FY22 and US\$ 24.44 billion in FY21.

Investments and Recent Developments

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks third worldwide for production by volume and 14th by value.

In this regard the sector has seen a lot of investments and developments in the recent past.

- Sanofi announced its plans to invest US\$ 435 million over the next six years to expand its global capability center (GCC) in Hyderabad, India by increasing the headcount and further developing the facility.
- In the Indian pharmaceutical industry, there were 24 M&A deals announced in Q1 2024, worth a total value of US\$ 456.3 million.
- As of 30th June 2024, the Department for Promotion of Industry and Internal Trade (DPIIT) has recognized a total of 1,40,803 entities as startups, of which 2,127 are from the pharmaceutical sector.
- MedGenome has acquired a stake in GenX Diagnostics, a diagnostic lab chain in Odisha. This strategic move combines MedGenome's advanced science and technological capabilities with GenX's diagnostics leadership in the East, empowering clinicians in Odisha.

- In March 2024, Union Minister for Chemicals & Fertilizers and Health & Family Welfare Dr. Mansukh Mandaviya inaugurated 27 greenfield bulk drug park projects and 13 greenfield manufacturing plants for medical devices.
- Cipla received approval from the Central Drugs Standard Control Organization (CDSCO) to market the novel antibiotic plazomicin in India for the treatment of complicated urinary tract infections (cUTI) affecting approximately 150 million patients each year.
- Cipla received approval from the Central Drugs Standard Control Organization (CDSCO) to market the novel antibiotic plazomicin in India for the treatment of complicated urinary tract infections (cUTI) affecting approximately 150 million patients each year.
- For the period 2020-21 to 2027-28, 26 Applicants for manufacturing of Medical Devices have been approved for 138 products under the PLI scheme with total financial outlay of US\$ 411.01 million (Rs.3,420 crores).
- Up to 100%, FDI has been allowed through automatic route for Greenfield pharmaceuticals projects. For Brownfield pharmaceuticals projects, FDI allowed is up to 74% through automatic route and beyond that through government approval.
- The cumulative FDI equity inflow in the Drugs and Pharmaceuticals industry is US\$ 22.52 billion during the period April 2000-March 2024.
- In November 2023, Lupin Ltd. unveiled the world's first fixed-dose triple combination drug for managing chronic obstructive pulmonary disease (COPD).
- In October 2023, Glenmark Pharmaceuticals introduced Zita, a cost-effective triple combination drug for Type 2 diabetes treatment, enhancing glycaemic control in diabetic patients.
- In August 2023, Union Minister for Labour & Employment and Environment, Forest and Climate Change Mr. Bhupender Yadav launched Chemotherapy Services in 30 ESIC Hospitals across the country.
- An MoU was signed on June 4, 2023, between the Indian Pharmacopoeia Commission (IPC), Ministry of Health & Family Welfare, Government of India and Ministry of Health, Government of Suriname for Recognition of Indian Pharmacopoeia (IP) in Suriname.
- In May 2023, the Ministry of Minority Affairs and the Ministry of Ayush joined hands to advance the Unani System of Medicine in India.
- Prime Minister Mr. Narendra Modi during his Independence Day 2023 speech said that the government has plans to increase the number of 'Jan Aushadhi Kendras' from 10,000 to 25,000.
- The Department of Pharmaceuticals will soon launch the Scheme for the Promotion of Research and Innovation in Pharma (PRIP) MedTech Sector. The scheme has been approved by the Union Cabinet for a period of five years starting from 2023-24 to 2027-28 with a total outlay of Rs. 5,000 crore (US\$ 604.5 million).
- Emcure Pharmaceuticals Limited (EPL) becomes the first ever company to launch Orofer FCM 750, a new extension of its parenteral iron brand containing Ferric carboxymaltose (FCM). The dose is suitable for the majority of Indian patients with iron deficiency and iron deficiency anaemia.
- Japanese companies have been invited to invest in the Indian Pharmaceutical and Medical Device Industry. The cooperation between Pharmaceutical Traders Association and Japan Federation of Medical Devices Associations of the two countries can contribute to stabilize the global supply-chain especially of APIs and Medical Devices.
- Sun Pharmaceutical Industries Limited announced the successful completion of its acquisition of Concert Pharmaceuticals, Inc. on March 6, 2023, a late-stage clinical biopharmaceutical company that is developing deuruxolitinib, a novel, deuterated, oral JAK1/2 inhibitor, for the potential treatment of adult patients with moderate to severe alopecia areata.
- Glenmark Pharmaceuticals Ltd. (Glenmark), an innovation-driven, global pharmaceutical company, is the first to launch a unique I.V. injection formulation, Akynzeo I.V., in India for the prevention of chemotherapy-induced nausea and vomiting (CINV), under an exclusive licensing agreement with Helsinn, a Swiss biopharma group company.
- Entod Pharmaceuticals launched its new ocular aesthetic range focused on improving eye comfort and enhancing the aesthetics of the eyes.
- BDR Pharmaceutical launched the first generic apalutamide (brand name Apatide) in India to treat both metastatic castration sensitive prostate cancer as well as non-metastatic castration resistant prostate cancer. The product will be available across India.
- Anglo French Drugs & Industries Limited (AFDIL), a 99-year-old organization in the pharmaceutical sector, announced that it has entered into the fertility space with the launch of the LYBER range.

- Eli Lilly introduces Ramiven in India, for certain high-risk early breast cancer patients in November 2022.
- ICPA Health Products Ltd (ICPA), a leading pharma company in the oral healthcare segment, launched its latest product – Heximetro at the annual conference of the Indian Society of Periodontology (ISP) in November 2022.
- The FDI inflows in the Indian drugs and pharmaceuticals sector reached US\$ 19.90 billion between April 2000-June 2022.
- The Indian drugs and pharmaceuticals sector received cumulative FDIs worth US\$ 19.41 billion between April 2000- March 2022.
- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached US\$ 1,414 million between in FY 2021-22.
- The Indian pharmaceutical industry generated a trade surplus of US\$ 15.81 billion in FY22.
- Medical Device industry is expected to reach US\$ 50 billion by 2030 growing at a CAGR of 15%.
- In November 2022, Sun Pharma and SPARC entered into a license agreement for commercialization of phenobarbital for injection in the US.
- Glenmark becomes the First Company in India to launch Teneeligliptin + Dapagliflozin Fixed Dose Combination in October 2022.
- In October 2022, Lupin signed an agreement to acquire two inhalation brands from Sunovion Pharmaceuticals Inc.
- Reddy's Laboratories announced the launch of Lenalidomide Capsules in the U.S. with two of six strengths eligible for first-to-market, 180-day exclusivity in September 2022.
- In June 2022, Cipla partnered with Drugs for Neglected Diseases initiative (DNDi) to announce the launch of a 4-in-1 antiretroviral treatment for children living with HIV in South Africa.
- Glenmark becomes the first pharmaceutical company to launch Indacaterol + Mometasone fixed-dose combination drug for Asthma in India.
- In May 2022, Sun Pharmaceutical Industries Limited through one of its wholly owned subsidiaries plans to launch Bempedoic Acid under the brand name Brillo, in India for reducing low-density lipoprotein (LDL) cholesterol.
- In May 2022, Dr. Reddy's Laboratories enters into exclusive partnership with HK inno.N Corporation to commercialise novel molecule Tegoprazan in India & select emerging markets.
- In April 2022, Dr Reddy's Laboratories Ltd. inked a pact with MediCane Health to announce the launch of medical cannabis products in Germany.
- The Union Cabinet have its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic route for manufacturing of medical devices subject to certain conditions.
- In March 2022, Themis Medicare Ltd. (Themis), announced the approval of its antiviral drug VIRALEX by the Drug Controller General of India (DCGI).
- The National Digital Health Blueprint has the potential to generate nearly US\$ 200 billion in added economic value for India's healthcare industry over the next 10 years.
- In October 2021, AstraZeneca India launched a Clinical Data and Insights (CDI) division to further strengthen its global presence and manage data-related aspects of its clinical trials.
- In September 2021, the Indian government contributed US\$ 4 billion to the pharmaceutical and medical industries.
- In August 2021, Uniza Group, an Ahmedabad-based pharmaceutical firm, signed an agreement with Lysulin Inc. (an US-based firm) to introduce Lysulin, a nutritional product for Indian consumers.
- In May 2021, Indian Immunologicals Ltd. (IIL) and Bharat Immunologicals and Biologicals Corporation (BIBCOL) inked technology transfer pacts with Bharat Biotech to develop the vaccine locally to boost India's vaccination drive. The two PSUs plan to start production of vaccines by September 2021.

Government Initiatives

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- In the Interim Budget 2024-25:
 - The government earmarked Rs. 1,000 crore (US\$ 120 million) for the promotion of bulk drug parks for FY25, a significant increase from the previous year.
 - The total outlay for the development of the pharmaceutical industry for FY25 was increased to Rs. 1,300 crore (US\$ 156.5 million) while the budget for the promotion of medical device parks was raised to Rs. 150 crore (US\$ 18 million) for FY25.

- The allocation for assistance to medical device clusters for common facilities (AMD-CF) was pegged at Rs. 40 crore (US\$ 4.1 million) for FY25.
- The outlay for the Jan Aushadhi scheme, the initiative to provide affordable generic medicines in the country, was hiked to Rs. 284.5 crore (US\$ 34 million) for FY25, up from Rs. 110 crore (US\$ 13 million) in the revised estimate for FY24.
- As per the Union Budget 2023-24:
 - A mission to eliminate sickle cell anaemia by 2047 will be launched. It would involve raising awareness, conducting a comprehensive screening of seven crore individuals in the impacted tribal regions between the ages of 0 and 40, and providing counselling through coordinated efforts.
 - For innovation in the pharmaceutical sector, through centres of excellence, a new initiative to encourage pharmaceutical research and innovation will be implemented. The government persuades business to spend money on R&D in a few chosen priority fields. At the grassroots level, government has also announced on building 157 nursing colleges in co-location with government medical colleges.
- The Union Cabinet, on April 26, 2023, approved the National Medical Devices Policy, 2023. The National Medical Devices Policy, 2023 is expected to facilitate an orderly growth of the medical device sector to meet the public health objectives of access, affordability, quality, and innovation.
- Ayushman Bharat Digital Mission (ABDM):
 - Under the ABDM, citizens will be able to create their ABHA (Ayushman Bharat Health Account) numbers, to which their digital health records can be linked. This will enable creation of longitudinal health records for individuals across various healthcare providers and improve clinical decision making by healthcare providers.
 - The pilot of ABDM is completed in the six Union Territories of Ladakh, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Puducherry, Andaman and Nicobar Islands, and Lakshadweep with successful demonstration of technology platform developed by the NHA.
- During the pilot, digital sandbox was created in which more than 774 partner solutions are undergoing integration. As of September 4, 2023, 450,164,619 Ayushman Bharat Health Accounts have been created and 224,967 doctors and 218,602 health facilities have been registered in ABDM.
- Scheme for Development of Pharma industry – Umbrella Scheme:
 - The Department of Pharmaceuticals has prepared an Umbrella Scheme namely ‘Scheme for Development of Pharma industry.’ Which comprises of the following sub schemes:
 - Assistance to Bulk Drug Industry for Common Facilitation Centres
 - Assistance to Medical Device Industry for Common Facilitation Centres
 - Assistance to Pharmaceutical Industry (CDP-PS)
 - Pharmaceutical Promotion and Development Scheme (PPDS)
 - Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)
- As per the Union Budget 2022-23:
 - Rs. 3,201 crore (US\$ 419.2 million) has been set aside for research and Rs. 83,000 crore (US\$ 10.86 billion) has been allocated for the Ministry of Health and Family Welfare.
 - Rs. 37,000 crore (US\$ 4.83 billion) has been allocated to the 'National Health Mission'.
 - Rs. 10,000 crore (US\$ 1.28 billion) has been allocated to Pradhan Mantri Swasthya Suraksha Yojana.
 - The Ministry of AYUSH has been allocated Rs. 3,050 crore (US\$ 399.4 million), up from Rs. 2,970 crore (US\$ 389 million).
- In March 2022, under the Strengthening of Pharmaceutical Industry (SPI) Scheme, a total financial outlay of Rs. 500 crore (US\$ 665.5 million) for the period FY22 to FY26 were announced.
- India could restart deliveries of COVID-19 shots to global vaccine-sharing platform COVAX in November-December 2021 for the first time since April 2021. The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the programme, particularly after it sent ~4 million doses to neighbours and allies in October 2021.
- In November 2021, PM Mr. Narendra Modi inaugurated the first Global Innovation Summit of the pharmaceuticals sector. The summit will have 12 sessions and over 40 national and international speakers deliberating on a range of subjects including regulatory environment, funding for innovation, industry- academia collaboration, and innovation infrastructure.
- In August 2021, Union Health Minister, Mr. Mansukh Mandaviya announced that an additional number of pharmaceutical companies in India are expected to commence manufacturing of anti-coronavirus vaccines by October-November 2021. This move is expected to further boost the vaccination drive across the country.
- In June 2021, Finance Minister Ms. Nirmala Sitharaman announced an additional outlay of Rs. 1,97,000 crore (US\$ 26,578.3 million) that will be utilised over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.

- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, the Government of India announced Mission COVID Suraksha to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.

(Source: <https://www.ibef.org/industry/pharmaceutical-india>)

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of offer, including the information contained in the section titled “**Risk Factors**”, beginning on page no. 15 of this Draft Letter of offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title “**Risk Factors**” and the chapters titled “**Financial Statements as Restated**” and “**Management Discussion and Analysis of Financial Conditions and Results of Operations**” beginning on page no 15, 114 and 145 of this Draft Letter of offer

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of offer, all references to “we”, “us”, “our” and “our Company” are to “**Shelter Pharma Limited**”.

OVERVIEW

Our Company primarily focuses in manufacturing herbal products with well-built presence in Human Pharma as well as Veterinary space. Shelter started with a few products about decades back. However, over a period of time, it has added products to its portfolio through its in-house R & D efforts backed by sound knowledge of Ayurveda. Shelter is present in most of non-critical segment of Human as well as Veterinary Pharma through its well spread portfolio. It enjoys a good product acceptance and market share in the state of Gujarat. In the Human pharma segment, Shelter has product portfolio of OTC products as well Ethical pharma products. Similarly, Shelter has OTC and Ethical presence in Veterinary segment. Shelter has a respectable track record of efficacy of its products. All the products are priced very competitively considering Shelter’s target market.





Shelter Pharma Limited originally named as Shelter Pharmacy, it was converted to Shelter Pharma Limited on 12th Day of October, 2007 under Part IX of The Companies Act, 1956. The company is being promoted by Mr. Mustaqim Nisarahmed Sabugar and Mr. Shakil Nisarahmed Sabugar. Promoters have nurtured and strengthened the business over the years. The business was slowly expanded from local presence in Himmatnagar to well spread presence in the state of Gujarat. Shelter remained a family enterprise before incorporation of the Company with a consolidated position in Gujarat. Introduction of new generation of promoters, set up of new companies around 2007 brought new ideas and aspirations to the business. Shelter has embarked on a major restructuring drive in line with redefined goals and objectives for last 4 years. The company has reworked its organizational structure, product portfolio, distribution network, pricing, packaging and internal processes. It has also invested substantially in strengthening infrastructure with fresh fund infusion to improve its manufacturing capacity in Himmatnagar. Shelter sources required raw material from nearby villages. Our raw material is sourced directly from farmers. Company has long established relationships with farmers, giving it an assured supply of herbs and plants. Shelter focuses on rural/semi urban market as its clientele to offer high quality price competitive remedies to villages.

The company is also in process of building up its management bandwidth with planned induction of senior level professionals in the system. It is also strengthening its R & D systems to fuel future growth in domestic as well as international market. Our company has witnessed a steady and positive growth. Our company is looking forward to aggressive growth plans. The company is in process of geographical expansion, acquiring high quality manpower and creating high impact marketing campaign. Shelter is seeking active value-added support from associates to supplement company’s ground level efforts.


Product Profile



HUMAN HEALTHCARE

Few of our star products are mentioned below

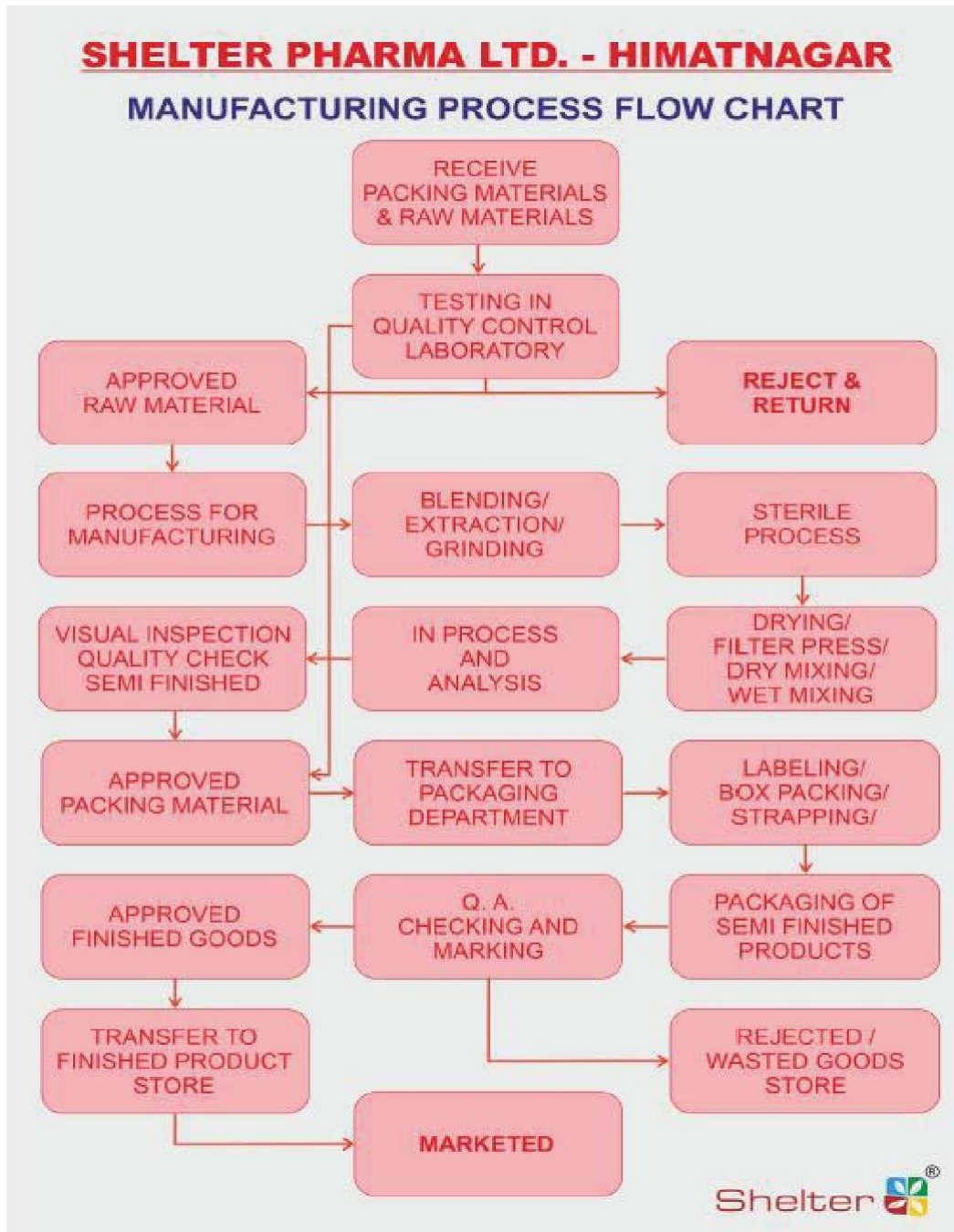
| | |
|---|--|
| <p>1. Lemonade Barley Water</p> <ul style="list-style-type: none"> • Lemonade Barley Water is refreshing Herbal diuretic. • Lemonade Barley Water is useful to prevent kidney from stone formation. • In Lemonade Barley Water, High amount of fiber ingredients like Barley act as cleanser of the body waste material and used for nephritis & kidney stone. • Lemonade Barley Water is significantly reducing the weight of kidney stones & completely inhibits formation of new stone. |  |
| <p>2. Sherolax</p> <ul style="list-style-type: none"> • Sherolax Tablet corrects constipation by softening the stool and enhancing intestinal mobility. • Sherolax Tablet increases the frequency of stools and evacuates the bowels completely. |  |
| <p>3. Baldeepak</p> <ul style="list-style-type: none"> • Baldeepak is very useful in vomiting and relives pains arising in the alimentary canal. • By virtue of its herbal composition, Baldeepak helps to prevent discomfort, irritability & pain caused by teething and thus works as the best infant tonic. |  |
| <p>4. Stonyl Tablet</p> <ul style="list-style-type: none"> • Stonyl Tablet having cleansing and rejuvenating properties. • Stonyl Tablet useful in urinary diseases and regulate renal system. • Stonyl Tablet helps to settle the entire urinary tract and deformation of renal, gallstones and facilitates smooth urine passage. |  |

B. Veterinary Healthcare

| | |
|--|--|
| <p>1. Agrical Powder</p> <ul style="list-style-type: none"> • Agrical powder is a superior mineral mixture with essential Amino acids. • Agrical Powder is a combination of essential minerals and multi vitamins ensures balance feed and enhances performance. • Agrical Powder is the most economical mineral mixture compared to the competitive brands available in the market. |  |
|--|--|

| | |
|--|---|
| <p>2. Lactocal gel</p> <ul style="list-style-type: none"> • Lactocal Gel gives better Formation of strong Bones. • Lactocal Gel is useful for Increasing milk fat meat and eggs. • Lactocal Gel is useful to prevent milk fever & also give faster recovery of milk after any illness in animal. • Lactocal Gel is useful for Higher Milk Production. |  |
| <p>3. Shelodex Ultra Ointment</p> <ul style="list-style-type: none"> • Shelodex is an ointment containing Methyl Salicylate for external use in the treatment of mastitis and for Inflammation on any part of the body of animals to relieve pain. • Shelodex is also an antiseptic, analgesic and antipyretic agent. |  |

PROCESS FLOW



OUR VISION

Our vision is to get recognized nationally as the most innovative, dedicated, and productive marketing communications brand in India. Our vision is also to provide a level of excellence to our clients that surpasses their highest expectations.

OUR MISSION

To provide best Herbal Healthcare products globally and be the No. 1 manufacturer for healthcare products. We also aim to manufacture products with zero chemicals.

SALES & MARKETING

Shelter caters to retail clients as well as Institutional clients. The company uses its well-placed distribution network along with Practitioner network in Gujarat to reach to its retail consumers.

The company is having three tier networks to reach out to customers in retail sales.



- The above diagram depicts marketing structure of the company where distributors are appointed by company and they supply products by their own to retailers and retailers to ultimate consumers. The same structure is applicable to both the divisions of company i.e. Human and Veterinary Products.
- Shelter has a good presence in institutional clientele as well. Company largely caters to this segment from its Head Office.
- Shelter also has direct delivery system for certain areas, wherein company vehicle visits villages / small, micro and remote areas and establishes direct communication with consumers.

Promotion

Different segments have different growth drivers. Accordingly, Company has devised its sales and marketing strategy to push growth in different segments. Shelter shares handsome margins with entire distribution chain to keep them motivated.

OTC Retail

Important Growth drivers of retail OTC products are Distribution, Promotion and Sales team back up in that sequence. Company has one C & F in Gujarat with reach to Retail stores across the state. Sales Team of the company offers support to distribution network. The company has selectively used media for promotion of its products. Company also uses lot of literature and product brochures for distribution and Pharmacy shops.

Ethical Retail

In case of Ethical products, medical practitioners play a very important role. Shelter keeps a constant connect with doctors in order to ensure recall of the product and the company. The company invests substantially in brochures and promotional material for doctors explaining products and its benefits.

Institutions

Institutional sales can give large volumes and wide spread to company's products. It is largely driven by direct communication with Management of the institution. Institutional sale is taken care of by the sales team. Due to its long presence in the market, Shelter has sound relations and approval of institutions. However, company has not exploited this channel fully and needs to strengthen its efforts on institutional sales going forward.

Branding

Shelter has established presence in Gujarat market, is already a good brand in Gujarat. However, there is huge scope left in terms of opportunity, especially in OTC segment that can be tapped with branding.

Shelter has worked hard on branding recently and has initiated media campaign to buttress its branding efforts. Shelter uses advertisements and Pop literature and brochures at Pharmacy shops and Dispensaries across the state. Company also uses occasional health camps in order to reinforce “Shelter” brand among its target segment. Going forward, Shelter looks at building a very strong and aggressive brand across the country.

CLIENTELE AND COMPETITION

Shelter has an impressive clientele of institutions. Following is a representative list of institutional clienteles.

Human Healthcare

- a. Jilla Panchayat Hospitals & Clinics (PHC/CHC)
- b. Government Institutions (CSD-Central Stores Department)
- c. Central Government Health scheme

Animal healthcare

- a. Gujarat Co. Op. Milk Marketing Federation Limited (AMUL)
- b. The Ropar district Co. Op. Milk Producers Union Limited (VERKA)
- c. Krishi Bhavan, Gandhinagar
- d. Various Gaushala
- e. Government Undertaking & Private Poultry Farms
- f. Health centers
- g. Farm houses

Shelter Pharma also has presence in various other countries like:

- 1. Egypt
- 2. Kuwait
- 3. Qatar
- 4. Romania
- 5. UAE
- 6. Bangladesh
- 7. Nepal
- 8. Cameroon
- 9. Iraq
- 10. Yemen



Competition

- Herbal Remedies market is highly unorganized market, leaving a big opportunity for players with long term vision and aggressive plans.

- The market has a few big players like Zandu, Dabur, Baidhyanath, Charak etc. Most of the big players focus on OTC, though they have presence in other areas of Ethical drugs as well.
- Unorganized small players have local presence in many segments of the industry but they completely lack standardization, uniformity and quality in their offerings.
- This offers a great prospect for companies like Shelter that has strong product portfolio and state of the art manufacturing capabilities like bigger companies and flexibility of smaller companies. Shelter can become a serious national player by leveraging its strengths and focusing on Geographical spread and branding of the company.

OUR LOCATIONS

| | |
|---|--|
| Manufacturing Unit and Registered Office | Shelter Nagar, Near S. T. Bus Stand, Himmatnagar - 383001, Gujarat, India |
| Corporate Office | 5 th Floor, 501 Sakar 4, Opp. MJ Library, Ashram Road, Paldi, Ellisbridge, Ahmedabad, Gujarat, India, 380006. |

OUR COMPETITIVE STRENGTHS

Experienced Promoters and Management Team

Our Promoters have played a key role in guiding, developing, and growing our business. Under the leadership and experience of our Promoters, our company has seen significant growth in the overall business. We believe that leadership is the result of teamwork where a consensus is arrived at for implementation of new ideas & business practices to widen our competitive advantage. Our Promoters, who also form part of the Board of Directors of our Company, have a proven background and experience in the manufacturing of pharmaceutical formulations. Also, our Company is managed by a team of industry experienced members in domestic and international markets. The team comprises of personnel having technical, operational, and business development experience in chemical and pharmaceutical industries. We believe that our management team's experience and their understanding of the industry, regulatory affairs, manufacturing, quality control, sales, marketing, and finance will enable us to continue to take advantage of both current and future market opportunities within India and Abroad. We believe our Promoters and Management's overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage. This will help us in addressing and mitigating various risks inherent in our business, including technical problems, facing the competitive landscape changes in global economy resulting in fluctuations in chemical and pharmaceutical pricing across the globe, etc.

Scalable Business Model

We believe that we have a scalable business model as our business model is customer-centric and order driven, and requires optimum utilization of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to the development of new markets and products in both domestic and international markets by exploring customer needs, marketing expertise and consistent product quality.

Wide and diverse range of product offerings

Shelter primarily focuses on herbal products with well-built presence in Human Pharma as well as Veterinary. The company has a very strong establishment and clientele in Gujarat market, especially in rural & semi urban areas, along with recent foray in a few other states. Shelter has vast product portfolio to cater to wide spectrum of health industry.

Marketing & Branding Efforts

Shelter is moving aggressively to tap these opportunities with geographical expansion backed by intense marketing & branding efforts. The expansion will be supported by sales & distribution network being set up by the company in new regions. Simultaneously, the company is making speedy growth in its stronghold of Gujarat market through brave and redefined distribution and marketing strategies. Shelter is

taking other initiatives to buttress its growth. Shelter has initiated efforts to explore Export market. Shelter's 5 products with very high potential are approved in Middle East market by MOH. This approval will open a big market of Middle East as well as Africa for the company as the associate that is working closely with Shelter since getting approvals for Middle East has also got established distribution network in Africa.

BUSINESS STRATEGY

Focus on Increase in Volume of Sales

As a part of our growth strategy, we intend to increase sales volume through diversification of services offered and spread in geographical outreach. We believe that our growth in market can fetch us new business expansion and opportunities. Our emphasis is on scaling of our operations by increasing sales which shall provide us with attractive opportunities to grow.

Increasing the number of Clients

We are focused on increasing the number of clients and by leveraging our market skill to service our clients. Our strategy is to increase the number of clients by building new relationships and then leverage those client relationships into offering in a whole suite of services. We believe that increased number of client relationships will add stability to our earnings. As a part of this we also plan to strengthen our sales team to bring in new client relationships to leverage our existing offerings.

Building-up as a Professional Organisation

We intend to run the organisation as a professional organization. We believe in transparency, commitment and coordination in our work, with all our stakeholders. We have the right blend of experienced and dynamic team and staff which takes care of our day-to-day operations.

Continue to attract and retain talent

As part of our business strategy, we are focused on attracting and retaining high quality talent as we continue to expand our healthcare business. We have recruited and retained talented employees from a variety of backgrounds. We expect to continue to attract talented employees through our retention initiatives. We intend to invest adequate time and resources for training our employees, which we believe would foster mutual trust, improve the quality of our customer service and place further emphasis on our continued retention.

COLLABORATIONS

Our Company has not entered into any collaboration agreements as on date of this Draft Letter of offer.

INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER

Infrastructure Facilities

Our registered office is situated Shelter Nagar, Near S. T. Bus Stand, Himmatnagar - 383001, Gujarat, India. Our registered office and corporate office are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Power

We have arrangements for regular power supply at our registered office and corporate office. This power is being supplied to us from Uttar Gujarat Vij Company Limited at our registered office and from Torrent Power Limited at our corporate office.

Water

Our registered office and corporate office have adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

CAPACITY AND CAPACITY UTILIZATION

The Company under takes analysis of Installed Capacity, Production & Capacity utilized on annual basis. Further in addition to this, for the purpose of providing updated data in this Draft letter of offer in connection with the issue, the Company has undertaken such analysis for the ongoing fiscal year up to January 20, 2025.

| Capacity Utilisation Calculation from April 01, 2022 – March 31, 2023 | | | | | |
|---|---------------|--------------|----------------|----------------|--------------|
| Category | Tablet (Nos.) | Liquid (Lit) | Capsule (Nos.) | Ointment (kg.) | Powder (kg.) |
| Installed Capacity | 18000000 | 87000 | 14100000 | 42000 | 192000 |
| Production | 10355000 | 60500 | 8050000 | 21500 | 98500 |
| Capacity Utilisation (%) | 57.53 | 69.54 | 57.09 | 51.19 | 51.30 |

| Capacity Utilisation Calculation from April 01, 2023 – March 31, 2024 | | | | | |
|---|---------------|--------------|----------------|----------------|--------------|
| Category | Tablet (Nos.) | Liquid (Lit) | Capsule (Nos.) | Ointment (kg.) | Powder (kg.) |
| Installed Capacity | 18000000 | 87000 | 14100000 | 42000 | 192000 |
| Production | 10890000 | 61000 | 8460000 | 22700 | 105000 |
| Capacity Utilisation (%) | 60.50 | 70.11 | 60.00 | 54.05 | 54.69 |

| Capacity Utilisation Calculation from April 01, 2024 – January 20, 2025 | | | | | |
|---|---------------|--------------|----------------|----------------|--------------|
| Category | Tablet (Nos.) | Liquid (Lit) | Capsule (Nos.) | Ointment (kg.) | Powder (kg.) |
| Installed Capacity | 14547945 | 70315 | 11395890 | 33945 | 155178 |
| Production | 9019800 | 50600 | 7236400 | 19700 | 90800 |
| Capacity Utilisation (%) | 62.00 | 71.96 | 63.50 | 58.04 | 58.51 |

HUMAN RESOURCE

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional with expertise in healthcare and manufacturing Industry. Our Company does not have any Employee Unions.

As on date of filing of this Draft Letter of offer, we have 73 employees in our company. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we consider our relationship with our employees to be good. And all the employees who are employed in their respective departments also work with integrity to make sure the operation the company are fulfilled and the targets the company has set are achieved.

MARKETING AND DISTRIBUTION STRATEGY

Our clientele includes Institutions, online stores and government owned healthcare Companies. We are mindful of the fact that there is stiffer competition in the pharma industry; hence we have been able to hire some of the best marketing experts to handle our sales and marketing. Our sales and marketing team is recruited on the basis of experience in the industry and are trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of our Company. Our corporate goal is to grow our company to attain a prime position through cutting edge technology and execution excellence in the India which is why we have mapped out strategy that will help us take advantage of the available market and grow to become a major force to reckon with not only in the India but also in other parts of the world.

Our company make use of the following marketing and sales strategies to attract clients;

- Introduce our company by sending introductory letters alongside our brochure to individuals, corporate organizations.

- Visiting Existing as well as Prospective clients.
- Encourage word of Mouth marketing from loyal & satisfied customers.
- Generating references through Industry experts.
- Fully functional and self-explanatory web portal (www.shelter.co.in.)
- We are in the era of digitalization; hence our company aims at creating visibility through all digital media channels.
- Engage direct marketing approach.


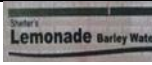

PROPERTIES

Properties Owned by the company

| Sr. No | Name of the Owner | License / Leased / Owned | Location of the Property | Purpose |
|--------|------------------------|--------------------------|---|-------------------------------|
| 1. | Shelter Pharma Limited | Owned | Shelter Nagar, Near S. T. Bus Stand, Himmatnagar - 383001, Gujarat, India | Registered Office and Factory |
| 2. | Shelter Pharma Limited | Owned | 5 th Floor, Sakar 4, Opp. MJ Library, Ashram Road, Paldi, Ellisbridge, Ahmedabad-380006, Gujarat, India. | Corporate Office |

INTELLECTUAL PROPERTY RIGHTS

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

| Sr. No. | Trademark | Trademark Type | Class | Applicant | Trademark Number | Date of Registration /Renewal | Validity / Renewal | Registration Status |
|---------|---|----------------|-------|------------------------|------------------|-------------------------------|--------------------|---------------------|
| 1 | BANOTONE | LOGO | 05 | Shelter Pharma Limited | 2313159 | September 24, 2014 | April 10, 2032 | Registered |
| 2 |  | LOGO | 05 | Shelter Pharma Limited | 2493224 | November 24, 2015 | November 23, 2025 | Registered |
| 3 |  | LOGO | 05 | Shelter Pharma Limited | 2313157 | October 08, 2014 | April 10, 2032 | Registered |
| 4 | REGULIN | LOGO | 05 | Shelter Pharma Limited | 3352193 | March 15, 2018 | March 14, 2028 | Registered |
| 5 | Shelter | LOGO | 05 | Shelter Pharma Limited | 1837944 | July 09, 2009 | July 08, 2029 | Registered |
| 6 |  | LOGO | 05 | Shelter Pharma Limited | 1837945 | July 09, 2009 | July 08, 2029 | Registered |

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks / copyrights / patents etc.

For more details on the product registrations of the Company, please refer chapter titled “**Government and other Statutory Approvals**” on page 158 of this Draft Letter of offer

INSURANCE DETAILS:

| Sr. No. | Type of Policy | Sum Assured | Insurance Company | Policy No. | Valid from & Valid till |
|---------|-------------------------|-----------------|---|-----------------------|--------------------------|
| 1. | Complete Fire Insurance | ₹ 1,50,00,000/- | ICICI Lombard General Insurance Company Limited | 1021/353480380/00/000 | 27/07/2024 to 26/07/2025 |

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

BRIEF HISTORY AND CORPORATE PROFILE

Our Company was originally converted from a Partnership Firm “M/s Shelter Pharma” to a Public Limited Company on October 12, 2007 as “Shelter Pharma Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our Company is promoted by Mr. Mustaqim Nisar Ahmed Sabugar and Mr. Shakil Nisar Ahmed Sabugar.

Our Company primarily focuses in manufacturing herbal products with well-built presence in Human Pharma as well as Veterinary space. Shelter started with a few products about decades back. However, over a period of time, it has added products to its portfolio through its in-house R & D efforts backed by sound knowledge of Ayurveda. Shelter is present in most of non-critical segment of Human as well as Veterinary Pharma through its well spread portfolio. It enjoys a good product acceptance and market share in the state of Gujarat. In the Human pharma segment, Shelter has product portfolio of OTC products as well Ethical pharma products. Similarly, Shelter has OTC and Ethical presence in Veterinary segment. Shelter has a respectable track record of efficacy of its products. All the products are priced very competitively considering Shelter’s target market.

Promoters have nurtured and strengthened the business over the years. The business was slowly expanded from local presence in Himmatnagar to well spread presence in the state of Gujarat. Shelter remained a family enterprise before incorporation of the Company with a consolidated position in Gujarat. Introduction of new generation of promoters, set up of new companies around 2007 brought new ideas and aspirations to the business. Shelter has embarked on a major restructuring drive in line with redefined goals and objectives for last 4 years. The company has reworked its organizational structure, product portfolio, distribution network, pricing, packaging and internal processes. It has also invested substantially in strengthening infrastructure with fresh fund infusion to improve its manufacturing capacity in Himmatnagar. Shelter sources required raw material from nearby villages. Our raw material is sourced directly from farmers. Company has long established relationships with farmers, giving it an assured supply of herbs and plants. Shelter focuses on rural/semi urban market as its clientele to offer high quality price competitive remedies to villages.

ADDRESS OF REGISTERED OFFICE & CORPORATE OFFICE

Our company’s registered office is situated at Shelter Nagar, Near S. T. Bus Stand, Himmatnagar - 383001, Gujarat, India and corporate office is situated at: 5TH Floor, 501 SAKAR 4, Opp. MJ Library Ashram Road Paldi, Ellisbridge, Ahmedabad, Gujarat - 380006.

CHANGES IN OUR REGISTERED OFFICE

There have been no changes in the Registered office of the Company from Incorporation till date.

MAJOR EVENTS AND MILESTONES

The table below sets forth some of the key events in the history of our Company:

| Calendar Year | Particulars |
|----------------------|--|
| 2007 | Conversion of our Company from Partnership firm named M/s Shelter Pharma to Public Limited Company in the name and style of “Shelter Pharma Limited” |
| 2008 | Received our license to Manufacture for sale of Ayurvedic / Siddha/ or Unani Drugs |
| 2010 | Registered our operations in Kuwait |
| 2013 | Registered our Product Coughnal Cough Syrup in UAE |
| 2020 | Company got ISO certified under ISO 9001:2015 |
| 2023 | Added 182 Products to the Product Portfolio of the Company till 2023 |
| 2023 | Company’s equity shares got listed on BSE SME Platform |

MAIN OBJECTS OF OUR COMPANY

The object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised in the present Issue.

Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main object of our Company is:

To carry on in India or any part of the world the business either itself and/or for others as manufacturers, manufacturers' representatives, producers, processors, refiners, dealers, factors, agents, stockists, suppliers, exporters, importers, traders, wholesalers, retailers, packers, general druggists, distributors to market, assemble distribute/redistribute, pack, repack, store all kinds, types, nature and description of pharmaceuticals formulations, drugs, bulk drugs, medicines, patent, drugs, common medical preparations, spirits, mixtures, powder, tablets, pills, capsules, antibiotics drugs, liquid drugs, vitamins, multi vitamins, vitamin preparations, contraceptives, vaccines, veterinary medicines and preparations, tinctures, injections, water of injections, ointments, lotions, tribulations, globules tonics in the form of inject able, and transfusions solutions, compounds, syrups, granules, drops, plasters, adhesives, banded, bandage, inhaler, inharub, shampoo, scent, hair oil, cream, health products, mother tinctures, glucose, nourishment foods, elixirs for human and/or animals, birds, insects, consumption and application prescribed under any branch of medicine incl. allopathy, homeopathy, ayurved, unani, naturopathy osteopath for oral, intra muscular, intra dermal, perenteral and external application under any therapy for whatever purpose such as prevention, cure, prophylactic and nourishment.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

| Date of Meeting | Meeting | Nature of Amendment |
|--------------------|---------|---|
| December 15, 2011 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Capital from ₹ 40,00,000 to ₹ 60,00,000 vide Ordinary Resolution. |
| January 21, 2023 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Capital from ₹ 60,00,000 to ₹ 15,00,00,000 vide Ordinary Resolution. |
| September 30, 2024 | AGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Capital from ₹ 15,00,00,000 to ₹ 25,00,00,000 vide Ordinary Resolution. |

DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATIONS OR REVALUATION OF ASSETS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

DETAILS REGARDING HOLDING / SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURE

As on date of filing of this Draft Letter of offer, our Company does not have any Holding or Subsidiary or Associate Company or Joint Venture.

CAPACITY / FACILITY CREATION, LOCATION OF PLANTS

For information on our Company's business profile, Capacity and location of Plant, see chapters titled, "*Our Business*".

GUARANTEES PROVIDED BY OUR PROMOTER

As on the date of this Draft Letter of offer, no guarantee has been issued by Promoters except as disclosed in the "*Statement of Financial Indebtedness*" on page 114 of this Draft Letter of offer.

CHANGES IN THE ACTIVITIES OF OUR COMPANY SINCE INCORPORATION

There have been no changes in the activities of our Company since incorporation which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

DEFAULTS OR RESCHEDULING OF BORROWINGS FROM FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling / restructuring of borrowings with financial institutions / banks in respect of borrowings of our Company.

LOCK OUTS AND STRIKES

There have been no lock outs or strikes at any of the units of our Company.

TIME AND COST OVER RUNS

Our Company has not implemented any projects and has therefore, not experienced any time or cost overrun in setting up of projects.

SHAREHOLDERS' AGREEMENTS

As on the date of this Draft Letter of offer, our Company has not entered into any Shareholders' Agreements.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY

Except as mentioned in Chapter titled '*Our Management*' beginning on page 85 of this Draft Letter of offer, there are no agreements entered into by key managerial personnel, Senior Management or a Director or Promoters or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

MATERIAL AGREEMENTS

As on the date of this Draft Letter of offer, our Company has not entered into any material agreements other than in the ordinary course of business carried on by our Company. For details on business agreements of our Company, please refer to the section titled '*Our Business*' beginning on page 71 of this Draft Letter of offer.

STRATEGIC PARTNERS

As of the date of this Draft Letter of offer, our Company does not have any Strategic Partners.

FINANCIAL PARTNERS

As on the date of this Draft Letter of offer, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OUR MANAGEMENT

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

As of the date of this Draft Letter of offer, our Company has 5 (Five) Directors on the Board, 2 (Two) as Executive Director, 1 (One) as Non-Executive Non-Independent Director and 2 (Two) as Non-Executive Independent Directors.

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

| Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term | Date of Appointment / Reappointment | Other Directorships / Designated Partners |
|---|--|---|
| <p>Mr. Mustaqim Nisar Ahmed Sabugar</p> <p>DOB: August 05, 1977</p> <p>Age: 47 Years</p> <p>Qualification: Bachelor of Business Administration.</p> <p>Designation: Managing Director</p> <p>Address: 310 Shan E Burhan Appartment, Near Mercury Garrage Mirzapur, Opp. Hanumanji Mandir, Ahmedabad, Gujarat - 380001.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 01456841</p> <p>Term: Re-appointed as Managing Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028.</p> | <p>Appointed as Non- Executive Director upon Incorporation of the Company w.e.f. October 20, 2007</p> <p>Change in Designation as managing Director of the Company for a period of 5 years w.e.f. January 01, 2009 upto December 31, 2013.</p> <p>Re-appointed as Managing Director of the Company for a period of 5 years w.e.f. April 01, 2015 upto March 31, 2020</p> <p>Re-appointed as Managing Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028</p> | <p>Companies</p> <ul style="list-style-type: none"> • Shelter Pharmacy Private Limited <p>Limited Liability Partnerships</p> <ul style="list-style-type: none"> • Nil |

| | | |
|---|--|---|
| <p>Mr. Shakil Nisar Ahmed Sabugar</p> <p>DOB: September 25, 1982</p> <p>Age: 42 Years</p> <p>Qualification: Registered Pharmacist</p> <p>Designation: Whole Time Director</p> <p>Address: Navagara Street, Nani Vahorwad, Sabarkantha, Himmatnagar 383001, Gujarat, India.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 01474868</p> <p>Term: Re-appointed as Whole Time Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028.</p> | <p>Appointed as Non- Executive Director upon Incorporation of the Company w.e.f. October 20, 2007.</p> <p>Further re-appointed as Whole Time Director of the Company for a period of 5 years w.e.f. January 01, 2009 upto December 31, 2013.</p> <p>Re-appointed as Whole Time Director of the Company for a period of 5 years w.e.f. April 01, 2015 upto March 31, 2020</p> <p>Re-appointed as Whole Time Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028</p> | <p>Companies</p> <ul style="list-style-type: none"> Shelter Pharmacy Private Limited <p>Limited Liability Partnerships</p> <ul style="list-style-type: none"> Nil |
| <p>Ms. Parvezbanu Mohamed Rafiq Idariya</p> <p>DOB: August 07, 1974</p> <p>Age: 50 Years</p> <p>Qualification: Bachelor of Arts</p> <p>Designation: Non-Executive Director</p> <p>Address: 4/Taibah Street, Alkapuri Char Rasta Polo Ground, Sabarkantha, Himatnagar-383001, Gujarat, India.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 01470286</p> <p>Term: Appointed as Non- Executive Director w.e.f. February 23, 2023</p> | <p>Appointed as Additional Executive Director w.e.f. October 13, 2021.</p> <p>Further, Regularised as Executive Director w.e.f. November 30, 2021</p> <p>Further Change in Designation from Executive Director to Non- Executive Director w.e.f. February 23, 2023</p> | <p>Companies</p> <p>Shelter Pharmacy Private Limited</p> <p>Limited Liability Partnerships</p> <p>Nil</p> |

| Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term | Date of Appointment / Reappointment | Other Directorships / Designated Partners |
|--|--|---|
| <p>Mr. Mosinkhan Gafarkhan Pathan</p> <p>DOB: August 12, 1987</p> <p>Age: 37</p> <p>Qualification: S.S.C</p> <p>Designation: Independent Director</p> <p>Address: 2293/6, Inside Patherwali Masjid, Khanpur, Chakla, Khanpur, Ahmedabad - 380001</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>DIN: 10039962</p> <p>Term: Appointed as Independent Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028</p> | <p>Appointed as Independent Director of the Company w.e.f. February 23, 2023.</p> | <p>Companies</p> <ul style="list-style-type: none"> • Nil <p>Limited Liability Partnerships</p> <p>Nil</p> |
| <p>Mr. Riyajahmed Abdulrauf Sabugar</p> <p>DOB: July 04, 1977</p> <p>Age: 47 years</p> <p>Qualification: Diploma Programme in Electronics & Communication Engineering.</p> <p>Designation: Independent Director</p> <p>Address: Miyasab Street, Nani Vahorwad, Moti Masjid, Himatnagar - 383001</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>DIN: 10039965</p> <p>Term: Appointed as Independent Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028</p> | <p>Appointed as Independent Director of the Company w.e.f. February 23, 2023 upto February 23, 2028.</p> | <p>Companies</p> <ul style="list-style-type: none"> • Nil <p>Limited Liability Partnerships</p> <p>Nil</p> |

BRIEF PROFILE OF OUR DIRECTORS

Mr. Mustaqim Nisarahmed Sabugar, aged 47 years, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was later reappointed as Managing Director with effect from January 01, 2009. He has more than 15 years of experience. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. He is the driving force behind the working of the company and has been the mentor to all the employees. His vast industry knowledge and experience has helped company to grow many folds. As a leader, he always delivers value to the customers and endeavor in fulfilling / exceeding their expectations and is involved in day-to-day execution of projects. In a Company he is responsible for providing strategic advice and guidance to the members of the board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the company's mission and objectives and to comply with all relevant statutory and other regulations.

Mr. Shakil Nisarahmed Sabugar, aged 42 years, is the Promoter and Whole Time Executive Director of the Company. He has been associated as director with company since its incorporation. He has more than 15 years of experience. His expertise has led the company grow since its incorporation. Currently, he is Whole Time Director of the Company and operations head and over sees the execution of each service of the company.

Ms. Parvezbanu Mohamed Rafiq Idariya, aged 50 is the Non-Executive Director of our Company. Her role in the company includes overseeing whether company's programs are being executed in right direction as per its aim and objectives, recommending business policies to the board governing the company, establishing long-term business plans for supporting the vision and values of the company.

Mr. Mosinkhan Gafarkhan Pathan, aged 37 is appointed as an Independent Director of our company with effect from February 23, 2023 upto February 23, 2028 for a period of 5 years. He has completed his degree of S.S.C from Gujarat Secondary and Higher Secondary Education Board, Gandhinagar in the year 2005. He has experience in the area of keeping the company up-to-date with latest business trends, developing better business techniques and practices.

Mr. Riyajahmed Abdulrauf Sabugar, aged 47 is appointed as an Independent Director of our company with effect from February 23, 2023 for a period of 5 years ending on February 23, 2028. He has completed his Diploma in Electronics & Communication Engineering from University of Mumbai in the year 2001.

CONFIRMATIONS

- Except as stated below, None of the Directors, Key Managerial Personnel and Senior Management of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

| Sr. No | Name of the Director/KMP | Name of the Related Director/ KMP | Relationship |
|--------|---------------------------------|--------------------------------------|--------------|
| 1. | Mr. Mustaqim Nisarahmed Sabugar | Ms. Parvezbanu Mohamed Rafiq Idariya | Sister |
| 2. | Mr. Mustaqim Nisarahmed Sabugar | Mr. Shakil Nisarahmed Sabugar | Brother |
| 3. | Mr. Shakil Nisarahmed Sabugar | Ms. Parvezbanu Mohamed Rafiq Idariya | Sister |

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors, Key Managerial Personnel or Senior Management were selected as a Director or Member of Senior Management.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- As on the date of this Draft Letter of offer, none of our directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- As on the date of this Draft Letter of offer, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- As on the date of this Draft Letter of offer, none of our director is or was a director of any listed Company during the last 5 (five) years preceding the date of this Draft Letter of offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- As on the date of this Draft Letter of offer, none of our director is or was a director of any listed Company which has been or was delisted from any stock exchange(s), during the term of their directorship in such Company.
- As on the date of this Draft Letter of offer, none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as 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 SEBI or any other regulatory authority.
- No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company.

REMUNERATION / COMPENSATION TO OUR DIRECTORS

The compensation payable to our Directors is governed as per the terms of their appointment and is subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under, Regulation 17 of SEBI Listing Regulations and other applicable provisions of the law (including any statutory modification(s) or re-enactment thereof for the time being in force). Set forth below is the remuneration payable by our Company to our Executive Directors for the financial year 2023-24:

(₹ in Lakh)

| Sr. No. | Name of Director | Remuneration shall not exceed |
|---------|---------------------------------|-------------------------------|
| 1. | Mr. Mustaqim Nisarahmed Sabugar | 12.00 |
| 2. | Mr. Shakil Nisarahmed Sabugar | 12.00 |
| | Total | 24.00 |

For the financial year 2022-2023, the Executive Directors have been paid gross remuneration as follows:

(₹ in Lakh)

| Sr. No. | Name of Director | Remuneration paid |
|---------|---------------------------------|-------------------|
| 1. | Mr. Mustaqim Nisarahmed Sabugar | 12.00 |
| 2. | Mr. Shakil Nisarahmed Sabugar | 12.00 |
| | Total | 24.00 |

TERMS AND CONDITIONS OF EMPLOYMENT OF OUR DIRECTORS

Mr. Mustaqim Nisarahmed Sabugar

Mr. Mustaqim Nisarahmed Sabugar, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was later reappointed as Managing Director with effect from February 23, 2023 for a period of 5 (five) years till February 23, 2028. The significant terms of his employment are as below:

| | |
|---|---|
| Remuneration | ₹12.00 Lakh per annum |
| Bonus and Profit-sharing Ratio | Not Applicable |
| Term | Appointed as Managing Director for a period of 5 (five) years commencing from February 23, 2023 for a period of 5 (five) years till February 23, 2028. |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company. |

Mr. Shakil Nisarahmed Sabugar

Mr. Shakil Nisarahmed Sabugar, is the Whole Time Executive Director of the Company. He was appointed as Appointed as Non- Executive Director upon Incorporation of the Company w.e.f. October 20, 2007. Re-appointed as Whole Time Director of the Company for a period of 5 years w.e.f. February 23, 2023 upto February 23, 2028. He has been associated with company since its incorporation. The significant terms of his employment are as below:

| | |
|---|---|
| Remuneration | ₹12.00 Lakh per annum |
| Bonus and Profit-sharing Ratio | Not Applicable |
| Term | Re-appointed as Whole Time Director of the Company for a period of 5 year w.e.f. February 23, 2023 upto February 23, 2028 |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company. |

SITTING FEES

The payment of sitting fees to the Non-Executive Non-Independent Director and Non-Executive Independent Directors of the Company for attending the meeting of the Board of Directors and meetings of the Committees of the Board of Directors in following manner:

| Sr. No. | Name of Director | Fees for attending the meeting of | |
|---------|--------------------------------------|-----------------------------------|-----------------------|
| | | Board of Directors | Committee Meetings |
| 1. | Ms. Parvezbanu Mohamed Rafiq Idariya | ₹ 3,000/- per Meeting | ₹ 3,000/- per Meeting |
| 2. | Mr. Mosinkhan Gafarkhan Pathan | ₹ 3,000/- per Meeting | ₹ 3,000/- per Meeting |
| 3. | Mr. Riyajahmed Abdulrauf Sabugar | ₹ 3,000/- per Meeting | ₹ 3,000/- per Meeting |

BORROWING POWERS OF OUR BOARD

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our

shareholders at their Extra Ordinary General Meeting held on January 21, 2023, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed 20,000.00 Lakhs over and above the aggregate of the paid up share capital and free reserves which may have not been set apart for any purpose.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of this Draft Letter of offer, our Directors hold the following number of Equity Shares of our Company:

| Sr. No. | Name of Directors | Pre-Issue No. of Equity Shares Held | % of pre-Issue capital |
|---------|--------------------------------------|-------------------------------------|------------------------|
| 1. | Mr. Mustaqim Nisarahmed Sabugar | 14,56,000 | 12.60% |
| 2. | Mr. Shakil Nisarahmed Sabugar | 17,60,000 | 15.23% |
| 3. | Ms. Parvezbanu Mohamed Rafiq Idariya | 6,40,000 | 5.54% |
| 4. | Mr. Mosinkhan Gafarkhan Pathan | Nil | Nil |
| 5. | Mr. Riyajahmed Abdulrauf Sabugar | Nil | Nil |

INTEREST OF OUR DIRECTORS

Our Managing Director & Executive Director may be interested to the extent of remuneration paid to them, respectively for services rendered as a Directors of our Company and reimbursement of expenses payable to them. For details, please refer “*Terms and conditions of employment of our Managing Director and Executive Director*” above. Further, all our Non-Executive Non-Independent and Non-Executive Independent Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board and may be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors or a committee thereof and/ or reimbursement of other expenses payable to them as per their terms of appointment.

Three of our Directors, Mr. Mustaqim Nisarahmed Sabugar, Mr. Shakil Nisarahmed Sabugar and Ms. Parvezbanu Mohamed Rafiq Idariya may be deemed to be interested in the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them if any.

Interest in promotion of our Company

Except Mr. Mustaqim Nisarahmed Sabugar, Mr. Shakil Nisarahmed Sabugar and Ms. Parvezbanu Mohamed Rafiq Idariya none of our directors have any interest in the promotion or formation of our Company as of the date of this Draft Letter of offer.

Interest in the property of our Company

Except as stated in the chapter titled “*Related Party Transaction*” beginning on page 111 of this Draft Letter of offer, our Directors have not entered into any contract, agreement or arrangements within a period of 2 (two) years preceding the date of this Draft Letter of offer in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Our Properties*” under the chapter titled “*Our Business*” beginning on page 71 of this Draft Letter of offer.

Interest as Creditor of our Company

As on the date of this Draft Letter of offer, except as stated in the chapter titled “*Statement of Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*”, our Company has not availed loans from Directors of our Company.

Interest in the business of Our Company

Further, save and except as stated otherwise in *“Statement of Related Parties Transactions”* in the chapter titled *“Financial Statements as Restated”* of this Draft Letter of offer, our directors do not have any other interests in our Company as on the date of this Draft Letter of offer. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Interest in transactions involving acquisition of land

Our directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated / referred to under the heading titled *“Our Properties”* under chapter titled *“Our Business”* beginning on page 71 of this Draft Letter of offer, our directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Interest as Member of a Company or Firm

Except as stated in this chapter the section titled *“Related Party Transactions”* and the chapter *“Our Business”* beginning on page 111 and 71 of this Draft Letter of offer respectively, our Directors do not have any other interest in our business

Other Interests

Except as stated above, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.

Further, our directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made by our Company to certain Group Entities, please refer chapters titled *“Financial Statements as Restated”* and *“Related Party Transactions”* beginning on page 114 and 111 of this Draft Letter of offer.

PAYMENT OF BENEFITS

Except to the extent of remuneration payable to the Managing Director & Executive Director for services rendered to our Company and to the extent of other reimbursement of expenses payable to them as per their terms of appointment, our Company has not paid in the last 2 (two) years preceding the date of this Draft Letter of offer, and does not intend to pay, any amount or benefits to our directors.

APPOINTMENT OF RELATIVES OF DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT

Except as disclosed in this Draft Letter of offer, none of the relatives of our directors currently hold any office or place of profit in our Company.

BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

None of our Directors are a party to any bonus or profit-sharing plan.

POLICIES ADOPTED BY OUR COMPANY

Our Company has adopted the following policies:

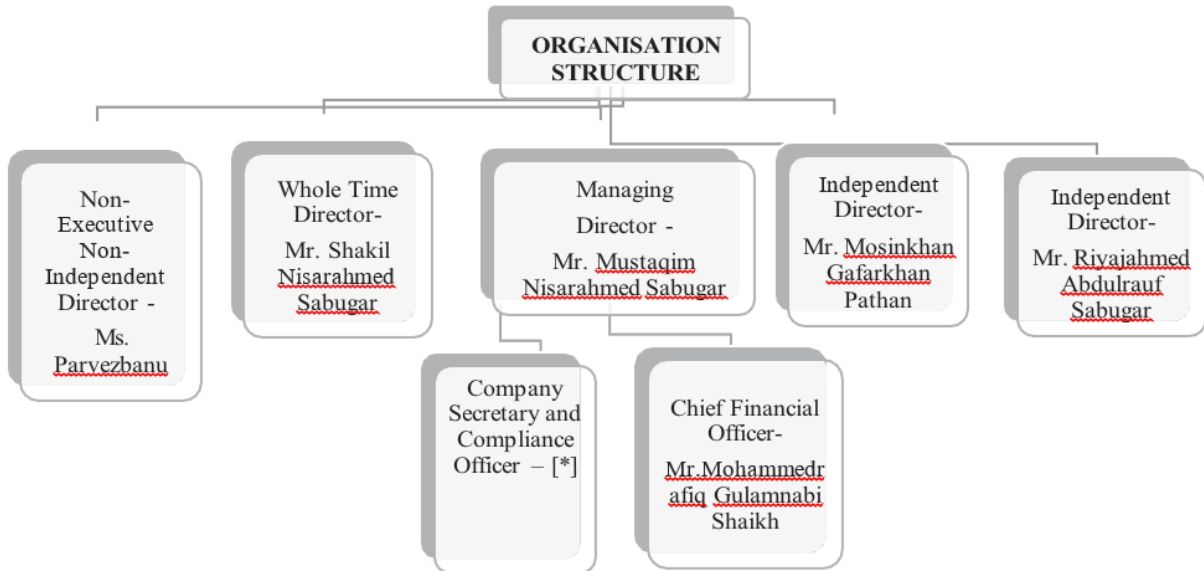
- a) Policy on Code of Conduct for Directors and Senior Management
- b) Policy of Audit Committee
- c) Policy of Nomination and Remuneration Committee
- d) Policy of Stakeholder Relationship Committee
- e) Policy on Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information
- f) Policy on Disclosure and Internal Procedure for Prevention of Insider Trading
- g) Policy on Whistle Blower and Vigil Mechanism
- h) Policy on Related Party Transactions (RPT)
- i) Policy for Preservation of Documents and Archival of Documents
- j) Policy for Prevention of Sexual Harassment
- k) Policy on Materiality for Disclosures of events to Stock Exchanges
- l) Policy on Code of Independent Directors and Familiarization of Independent Director
- m) Policy for identification of Materiality of outstanding Litigations involving Company, its subsidiary, Directors, Promoters and other Group Companies
- n) Policy on Material Outstanding due to the Creditors
- o) Policy on Corporate Social Responsibility (CSR)

CHANGES IN OUR BOARD DURING THE LAST THREE YEARS

Except as disclosed below, there have been no changes in our Board during the last 3 (three) years.

| Sr. No. | Directors | Date of Event | Event |
|---------|--------------------------------------|-------------------|---|
| 1. | Mr. Mustaqim Nisarahmed Sabugar | February 23, 2023 | Reappointed as Managing Director |
| 2. | Mr. Shakil Nisarahmed Sabugar | February 23, 2023 | Reappointed as Whole Time Director |
| 3. | Ms. Parvezbanu Mohamed Rafiq Idariya | October 13, 2021 | Appointment as Additional Executive Director |
| 4. | Ms. Parvezbanu Mohamed Rafiq Idariya | November 30, 2021 | Regularised as Executive Director |
| 5. | Mr. Parvezbanu Mohamed Rafiq Idariya | February 23, 2023 | Change in Designation from Executive Director to Non-Executive Director |
| 6. | Mr. Mosinkhan Gafarkhan Pathan | February 23, 2023 | Appointed as Independent Director |
| 7. | Mr. Riyajahmed Abdulrauf Sabugar | February 23, 2023 | Appointed as Independent Director |

ORGANISATION STRUCTURE



CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to Corporate Governance, provisions of the SEBI (LODR) Regulation, 2015 will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

The Corporate Governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Letter of offer, there are 5 (Five) Directors on our Board out of which one third are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI (LODR) Regulation, 2015 and the Companies Act, 2013.

COMMITTEES OF OUR BOARD

The following committees have been constituted in terms of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee

d) Corporate Social Responsibility Committee

Further, Board has also constituted Internal Complaints Committee pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Audit Committee

Our Company has constituted an Audit Committee ("**Audit Committee**"), as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015; vide resolution passed at the meeting of the Board of Directors held on February 27, 2023.

The terms of reference of Audit Committee adheres to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015.

The committee presently comprises the following 3 (Three) directors:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|----------------------------------|---------------------|------------------------|
| 1. | Mr. Mosinkhan Gafarkhan Pathan | Chairman | Independent Director |
| 2. | Mr. Riyajahmed Abdulrauf Sabugar | Member | Independent Director |
| 3. | Mr. Mustaqim Nisarahmed Sabugar | Member | Managing Director |

The Company Secretary & Compliance Officer of our Company acts as the Secretary to the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulation, 2015.

Meetings of Audit Committee and Quorum

As required under Regulation 18 of the SEBI (LODR) Regulation, 2015, the Audit Committee shall meet at least 4 (four) times in a year, and not more than 120 (one hundred twenty) days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon 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, as amended;
 - 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 the management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with SEBI Listing Regulations and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications / modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
7. 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 / letter of offer / 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;
8. Approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;
9. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
10. Scrutinizing of inter-corporate loans and investments;
11. Valuing of undertakings or assets of the Company, wherever it is necessary;
12. Evaluating of internal financial controls and risk management systems;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of 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;
16. Discussing with internal auditors of any significant findings and follow up there on;
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 a material nature and reporting the matter to the Board;
18. Discussing 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. Looking 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;
20. Reviewing the functioning of the whistle blower mechanism;

21. Approving the appointment of the Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.
23. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document / letter of offer / notice in terms of Regulation 32(7).

Stakeholders' Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ***"Stakeholders' Relationship Committee"*** to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on February 27, 2023.

The Stakeholders' Relationship Committee comprises:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|----------------------------------|---------------------|------------------------|
| 1. | Mr. Mosinkhan Gafarkhan Pathan | Chairman | Independent Director |
| 2. | Mr. Riyajahmed Abdulrauf Sabugar | Member | Independent Director |
| 3. | Mr. Shakil Nisarahmed Sabugar | Member | Whole Time Director |

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

Tenure

The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

Meetings

The Stakeholder's Relationship Committee shall meet at least 1 (one) time in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the Annual General Meetings to answer queries of the security holders.

Role of the Stakeholders' Relationship Committee

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate / split / consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
4. Allotment and listing of shares in future;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances; and
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on February 27, 2023.

The Nomination and Remuneration Committee comprises the following Directors:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|--------------------------------------|---------------------|------------------------|
| 1. | Mr. Mosinkhan Gafarkhan Pathan | Chairman | Independent Director |
| 2. | Mr. Riyajahmed Abdulrauf Sabugar | Member | Independent Director |
| 3. | Ms. Parvezbanu Mohamed Rafiq Idariya | Member | Non-executive Director |

The Company Secretary & Compliance Officer of our Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

Tenure

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings

The committee shall meet as and when the need arises for review of Managerial Remuneration. The Quorum for a Meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including atleast one Independent Director in attendance.

Role of the Nomination and Remuneration Committee not limited to but includes:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of performance of independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors of our Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of our Company;
5. Determining 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. Analyzing, monitoring and reviewing various human resource and compensation matters;
7. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits) Regulations, 2014;
11. Framing suitable policies, procedures and systems to ensure that there is no violation, by and employee id any applicable laws in India or Overseas, including:
 - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable."
12. Performing such other activities as may be delegated by the Board of Directors and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

Corporate Social Responsibility (CSR) Committee

Our Company has constituted a CSR Committee in accordance Section 135 of Companies Act, 2013. The constitution of the CSR Committee was approved by a Meeting of the Board of Directors held on July 17, 2023.

The CSR Committee comprises the following Directors:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|-------------------------------------|---------------------|---------------------------------------|
| 1. | Mr. Mosin Khan Pathan | Chairman | Independent Director |
| 2. | Ms. Parvezbanu Mohamed Rafiqidariya | Member | Non-Exective Non-Independent Director |
| 3. | Mr. Mustaqim Nisarahmed Sabugar | Member | Managing Director |

The scope and function of the CSR Committee and its terms of reference shall include the following:

Tenure

The CSR Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for a meeting of the CSR committee shall

Role of the CSR Committee not limited to but includes:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Act;
2. Recommend the amount of expenditure to be incurred on CSR activities;
3. To monitor the CSR Policy of the Company from time to time;
4. Formulate and recommend to the Board of Directors ("Board"), an annual action plan in pursuance of its CSR policy, which shall include the following, namely
 - I. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - II. the manner of execution of such projects or programmes
 - III. the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - IV. monitoring and reporting mechanism for the projects or programmes; and
 - V. details of need and impact assessment, if any, for the projects undertaken by the company Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect

Internal Complaints Committee

An Internal Complaints Committee is constituted for our Company by the Board to look into the matters concerning sexual harassment pursuant to resolution of the Board of Directors dated July 17, 2023. The Internal Complaints consists of the following members.

| Sr. No. | Name | Status in Committee | Gender |
|---------|------------------------------------|-------------------------|--------|
| 1. | Mr. Mohammedrafiq Gulamnabi Shaikh | Presiding Officer (CFO) | Male |
| 2. | Dr. Nusrat Sabugar | Member (Employee) | Female |
| 3. | Ms. Mugisha Kagdi | Member (Employee) | Female |
| 4. | Mr. Zuberbhai Mansuri | Member (Member of NGO) | Male |

A complainant can approach any member of the committee with her written complaint.

Tenure

The President and other members of the committee shall hold office for such period, not exceeding 3 (three) years, from the date of their nomination as may be specified by the employer.

Scope

This policy is applicable to employees, workers, volunteers, probationer and trainees including those on deputation, part time, contract, working as consultants or otherwise (whether in the office premises or outside while on assignment). This policy shall be considered to be a part of the employment contract or terms of engagement of the persons in the above categories.

Where the alleged incident occurs to our employee by a third party while on a duty outside our premises, the Company shall perform all reasonable and necessary steps to support our employee.

What Constitutes Sexual Harassment?

Sexual Harassment means such unwelcome sexually determined behaviour (directly or through implication), like physical contact and advances by the employee(s) including:

1. A demand or request for sexual favours, sexually coloured remarks, showing pornography, any other unwelcome physical conduct of sexual nature, lurid stares, physical contact or molestation, stalking, sounds, display of pictures, signs;

2. Eve teasing, innuendos and taunts, physical confinement against one's will;
3. A demand or request for sexual favours, whether verbally or non-verbally, where the submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or promotion / evaluation of work thereby denying an individual equal opportunity at employment;
4. An act or conduct by a person in authority which makes the environment at workplace hostile or intimidating to a person or unreasonably interferes with the individual's privacy and productivity at work; Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references, and offensive personal references; demeaning, insulting, intimidating, or sexually suggestive comments (oral or written) about an individual's personal appearance or electronically transmitted messages (Jokes, remarks, letters, phone calls);
5. Any other behaviour which an individual perceives as having sexual overtones.

Redressal Mechanism:

Once the complaint is received by the Committee:

- i. The person who is accused by the complainant will be informed that a complaint has been filed against him (he will be made aware of the details of the allegation and also the name of the complainant as it would be necessary for proper inquiry) and no unfair acts of retaliation or unethical action will be tolerated.
- ii. The complainant has the opportunity to ask for conciliation proceedings by having communication with the accused in the presence of the Committee. Please note that in such conciliation the complainant cannot demand monetary compensation.
- iii. The Committee shall provide the copies of the settlement as recorded during conciliation to the aggrieved employee and the respondent.
- iv. If the matter has been settled by conciliation but the respondent is not complying with the terms and conditions, the aggrieved party can approach the Committee for Redressal.
- v. The Committee will question both the complainant and the alleged accused separately. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.
- vi. The Committee shall call upon all witnesses mentioned by both the parties.
- vii. The Committee can ask for specific documents from a person if it feels that they are important for the purpose of investigation.
- viii. The complainant has the option to seek transfer or leave so that the inquiry process can continue smoothly and to prevent recurrence of similar situations or discomfort to the complainant. The leave
- ix. can extend for a maximum period of 3 months. Leave granted under this provision will be paid leave and will not be counted in the number of leaves that the complainant is statutorily entitled to. The complainant may be required to work from home, if it is practicable, keeping in mind the nature of work of the complainant, health and mental condition. However, the complainant is under a good faith obligation and shall not abuse the process to request unjustifiably long periods of leave, keeping in mind the economic effects of the leave to the organization. The Committee shall have the discretion to grant leave of an appropriate duration, depending on the facts and circumstances of the case, or grant an alternate measure such as transferring the employee or the accused, as it deems fit.

Where leave is granted to the complainant, the Committee shall make best attempts to ensure speedy completion of the inquiry process and to minimize adverse economic consequences to the Company arising out of the absence of the complainant from the workplace.

- i. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the investigation reveals that the complainant has been sexually harassed as claimed, the accused will be subjected to disciplinary action accordingly.
 - a. The report of the investigation shall be supplied to the employer (or the District Officer), the accused and the complainant within 10 days of completion of the investigation.
 - b. The employer or the District Officer will act on the recommendations of the Committee within 60 days of the receipt of the report.
- ii. The contents of the complaint made, the identity and addresses of the aggrieved employee, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Internal Committee and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner
- iii. the Internal Committee and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner

Any party aggrieved by the report can prefer an appeal in the appropriate Court or Tribunal in accordance with the service rules within 90 days of the recommendation been given to the employer / District Officer.

Disciplinary Action:

Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

If it is found out through evidence by the Committee that the complainant has maliciously given false complaint against the accused, disciplinary action shall be taken against the complainant as well.

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Committee shall ensure that the complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behaviour by the accused against the complainant while the investigation is in progress should be reported by the complainant to the Complaints Committee as soon as possible. Disciplinary action will be taken by the Committee against any such complaints which are found genuine.

This policy shall be disseminated to each employee of the Company as well as new recruits who will have to acknowledge that they have read and understood the policy and that they shall abide by the policy.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”) is applicable to our Company as its Equity Shares are listed on the SME Platform of BSE Limited. We do comply with the requirements of the SEBI (PIT) Regulations. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

The Company Secretary & Compliance Officer of the Company & in the absence of the Company Secretary & Compliance Officer, unless otherwise designated by the Board, Managing Director is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Given below are the details of the Key Managerial Personnel and Senior Management of our Company as prescribed under the Companies Act, 2013 as on date of this Draft Letter of Offer:

| Sr. No | Name of the KMPs | Designation |
|--------|------------------------------------|-------------------------|
| 1. | Mr. Mustaqim Nisarahmed Sabugar | Managing Director |
| 2. | Mr. Shakil Nisarahmed Sabugar | Whole Time Director |
| 3. | Mr. Mohammedrafiq Gulamnabi Shaikh | Chief Financial Officer |

BREIF PROFILE OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

Mr. Mustaqim Nisarahmed Sabugar–Managing Director

Mr. Mustaqim Nisarahmed Sabugar is the Managing Director of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 85 of this Draft Letter of offer.

Mr. Shakil Nisarahmed Sabugar –Whole Time Director

Mr. Shakil Nisarahmed Sabugar is Whole Time Director of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 85 of this Draft Letter of offer.

Mr. Mohammedrafiq Gulamnabi Shaikh- Chief Financial Officer

Mr. Mohammedrafiq Gulamnabi Shaikh, aged 46 years, is the Chief Financial Officer of our Company. He was appointed as the Chief Financial Officer of our Company at the meeting of the Board of Directors with effect from October 01, 2015. He has completed her Bachelor of Commerce from Gujarat University in the year 1999. He has an experience of more than seven years.

| | |
|--|---|
| Term of Office with expiration Date | Appointed as Chief Financial Officer with effect from October 01, 2015. |
| Details of service contract | Not Applicable |
| Function and areas of experience | Accounting, Taxation and other related Matters |

STATUS OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of the above-mentioned key managerial personnel or Senior Management are related to each other. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

RELATIONSHIP OF DIRECTORS / PROMOTERS WITH KEY MANAGERIAL PERSONNEL (KMPs) AND SENIOR MANAGEMENT

None of the above-mentioned key managerial personnel or Senior Management are related to our Promoters or Directors. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

As on date of this Draft Letter of offer, none of our Key Managerial Personnel and Senior Management hold any number of Equity Shares of our Company.

Set forth below is the remuneration paid by our Company to our KMPs for the financial year ended March 31, 2024:

| <i>(₹ in Lakh)</i> | | | |
|--------------------|------------------------------------|--|--------------------------|
| Sr. No. | Name of KMPs | Designation | Remuneration paid |
| 1. | Mr. Mustaqim Nisarahmed Sabugar | Managing Director | 12.00 |
| 2. | Mr. Shakil Nisarahmed Sabugar | Whole Time Director | 12.00 |
| 3. | Mr. Yashesh Vijaykumar Shah* | Company Secretary & Compliance Officer | 2.64 |
| 4. | Mr. Mohammedrafiq Gulamnabi Shaikh | Chief Financial Officer | 7.20 |
| Total | | | 33.84 |

**Resigned with effect from November 13, 2024*

BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

FINANCIAL PARTNERS

As on the date of this Draft Letter of offer our Company does not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel or Senior Management.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our Key Managerial Personnel or Senior Management has received or is entitled to any contingent or deferred compensation as on date of this Draft Letter of offer.

LOANS TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as stated in this Draft Letter of offer, there is no loan outstanding against Key Managerial Personnel or Senior Management as on date of this Draft Letter of offer.

INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Key Managerial Personnel and Senior Management of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and may also be interested to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any. Except as disclosed in this Draft Letter of offer, none of our key managerial personnel or Senior Management have been paid any consideration of any nature from our Company, other than their remuneration. Except as stated in the heading titled **“Related Party Transactions”** under the Section titled **“Financial Statements as Restated”** beginning on page 111 of this Draft Letter of offer and described herein above, our key managerial personnel or Senior Management do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS

Set forth below are the changes in our Key Managerial Personnel and Senior Management in the last 3 (three) years immediately preceding the date of this Draft Letter of offer:

| Sr. No. | Name | Date of Event | Reason |
|----------------|----------------------------------|----------------------|---|
| 1. | Mr. Mustaqim Nisar Ahmed Sabugar | February 23, 2023 | Re-appointed as Managing Director |
| 2. | Mr. Shakil Nisar Ahmed Sabugar | February 23, 2023 | Re-appointed as Whole Time Director |
| 3. | Mr. Yashesh Vijaykumar Shah | February 01, 2023 | Appointed as Company Secretary & Compliance Officer |
| 4. | Mr. Yashesh Vijaykumar Shah | November 13, 2024 | Resigned as Company Secretary & Compliance Officer |

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme as on the date of filing of this Draft Letter of offer.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except as stated in this Draft Letter of offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company’s officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the chapter titled **“Financial Statements as Restated”** beginning on page 114 of this Draft Letter of offer, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors, Our Key Managerial Personnel, Senior Management or our Promoter.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Managerial Personnel, Senior Management or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer chapter titled **“Our History and Certain Other Corporate Matters”** beginning on page 82 of this Draft Letter of offer.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are **Mr. Mustaqim Nisarahmed Sabugar** and **Mr. Shakil Nisarahmed Sabugar**.

As on the date of this Draft Letter of offer, Our Promoters together with Promoters Group holds an aggregate of **63,54,000** Equity Shares, representing **54.97%** of the Issued, Subscribed and Paid-up Equity Share Capital of our Company. For details of the build- up of the Promoters' shareholding in our Company, see "**Capital Structure –History of the Equity Share Capital held by our Promoters and Promoter group**", on pages 50 of this Draft Letter of offer.

BRIEF PROFILE OF OUR INDIVIDUAL PROMOTERS



Mr. Mustaqim Nisarahmed Sabugar, aged 47 years, is the Promoter and Managing Director of our Company. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. He is the driving force behind the working of the company and has been the mentor to all the employees. His vast industry knowledge and experience has helped company to grow many folds. As a leader, he always delivers value to the customers and endeavour in fulfilling / exceeding their expectations and is involved in day-to-day execution of projects. In a Company he is responsible for providing strategic advice and guidance to the members of the board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the company's mission and objectives and to comply with all relevant statutory and other regulations.

Qualification: Bachelor of Business Administration.

Date of Birth: August 05, 1977

Age: 47 years

Residential Address: Nani Vahorvad, Taluka – Himmatnagar, Dist. - Sabar Kantha, Himmatnagar-383001, Gujarat, India.

Nationality: Indian

PAN: ADRPS4192B

Directorship Held:

- Shelter Pharmacy Private Limited.
- Poly9 Software Sales Private Limited.



Mr. Shakil Nisarahmed Sabugar, aged 42 years, is the Promoter and Whole Time Executive Director of the Company. He has been associated as director with company since its incorporation. He has more than 15 years of experience in the pharma Industry. His expertise has led the company grow since its incorporation. Currently, he is Whole Time Director of the Company and operations head and over sees the execution of each service of the company.

Qualification: Registered Pharmacist

Date of Birth: September 25, 1982

Age: 42 Years

Residential Address: Navagara Street, Nani Vahorwad, Sabarkantha, Himmatnagar 383001, Gujarat, India.

Nationality: Indian

PAN: AQHPS1201L

Directorship Held

- Shelter Pharmacy Private Limited.

For the complete profile of our Promoters - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see "Our Management" on page 85 of this Draft Letter of offer.

DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number and Driving License Number, Passport Number and Bank Account Number of our Promoters will be submitted as and when required to the Stock Exchange i.e., BSE Limited, where the existing Equity Shares are listed at the time of filing this Draft Letter of offer.

UNDERTAKING / CONFIRMATIONS

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 151 of this Draft Letter of offer.
- None of our Promoters person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Letter of offer.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter "*Our Management*" beginning on page 85 of this Draft Letter of offer.

INTEREST OF OUR PROMOTER

Our Promoters is interested in our Company to the extent (i) that they have promoted our Company, and (ii) to the extent of their shareholding in our Company. For details on shareholding of our Promoters in our Company, see "*Capital Structure*" on page 50 of this Draft Letter of offer.

Except as stated otherwise in this Draft Letter of offer, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled "*Related Party Transactions*" in chapter "*Financial Statements as Restated*" on page 114 of this Draft Letter of offer.

Interest in promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest in the property, land, construction of building, supply of machinery, etc.

Except as mentioned in the chapter titled '*Our Business*' beginning on page 71 of this Draft Letter of offer, our Promoters does not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Draft Letter of offer or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Interest in our Company arising out of being a member of a firm or company

Our Promoters is not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoters

Except as mentioned in this chapter and chapters titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and "*Restated Financial Statements*" beginning on pages 71, 82, 85 and 114, respectively, our Promoters does not have any other interest in our Company

Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years

Except as stated above in chapters "*Financial Statements as Restated*" beginning on page 114 of this Draft Letter of offer, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Draft Letter of offer or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

COMMON PURSUITS OF OUR PROMOTER

Except as disclosed below, our Promoters is not involved with any ventures which are in the same line of activity or business as that of our Company.

| Sr. No | Name of Entity |
|--------|----------------------------------|
| 1. | Shelter Pharmacy Private Limited |
| 2. | M/s Gandhi Brothers |

MATERIAL GUARANTEES GIVEN TO THIRD PARTIES

Except as stated in the “*Financial Statements as Restated*” beginning on page 114 of this Draft Letter of offer, our Promoters has not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

EXPERIENCE OF PROMOTERS IN THE LINE OF BUSINESS

Our Promoters, Mr. Mustaqim Nisarahmed Sabugar and Mr. Shakil Nisarahmed Sabugar has an experience of around 15 years in the industry. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of shareholding of members of our Promoter Group as on the date of this Draft Letter of offer, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page 50 of this Draft Letter of offer.

LITIGATION INVOLVING OUR PROMOTER

For details relating to legal proceedings involving the Promoters, please refer “*Outstanding Litigation and Material Developments*” beginning on page 151 of this Draft Letter of offer.

RELATED PARTY TRANSACTIONS

Except as stated in “*Annexure - VII Related Party Transactions*” beginning on page 111 of this Draft Letter of offer, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

Our Promoters has not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Letter of offer.

| Sr. No. | Name of Promoter | Name of Entity | Reason for Disassociation | Date of Disassociation |
|---------|---------------------------------|----------------|---------------------------|------------------------|
| 1 | Mr. Mustaqim Nisarahmed Sabugar | Nil | Nil | Nil |
| 2 | Mr. Shakil Nisarahmed Sabugar | Nil | Nil | Nil |

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 is as under:

A. Natural Persons who form part of our Promoter Group:

| | |
|-------------------------------|---------------------------------|
| Promoter | Mr. Mustaqim Nisarahmed Sabugar |
| Relation with Promoter | |
| Father | Late Nisarahmed Sabugar |
| Mother | Ms. Zubedabibi Sabugar |
| Spouse | Ms. Nusrat Sabugar |

| | |
|----------------------------|--------------------------------------|
| Brother(s) | Mr. Shakil Nisarahmed Sabugar |
| Sister(s) | Ms. Parvezbanu Mohamed Rafiq Idariya |
| Son(s) | Mr. Ibrahim Sabugar |
| Daughter(s) | Ms. Sabugar Fatemakhatun Mustaqim |
| Spouse's Father | Late Abdul Samad Pothigara |
| Spouse's Mother | Ms. Zakiyabibi Pothigara |
| Spouse's Brother(s) | N.A. |
| Spouse's Sister(s) | Ms. Rifat Misbah Panchbhai |

| | |
|-------------------------------|--------------------------------------|
| Promoter | Mr. Shakil Nisarahmed Sabugar |
| Relation with Promoter | |
| Father | Late Nisarahmed Sabugar |
| Mother | Ms. Zubedabibi Sabugar |
| Spouse | Ms. Sabugar Suraiya M Sakil |
| Brother(s) | Mr. Mustaqim Nisarahmed Sabugar |
| Sister(s) | Ms. Parvezbanu Mohamed Rafiq Idariya |
| Son(s) | Mr. Sabugar Sahir Shakil |
| Daughter(s) | Ms. Sarah Sabugar |
| Spouse's Father | Late Mohammed Yusufbhai Sabugar |
| Spouse's Mother | Ms. Nasima Sabugar |
| Spouse's Brother(s) | Ms. Rashidhusen Sabugar |
| Spouse's Sister(s) | N.A. |

B. In case promoter is a Body Corporate

| Sr. No. | Nature of Relationship | Name of the Promoter Entities / Company |
|---------|--|---|
| 1. | Subsidiary or holding company of Promoter Company | N.A. |
| 2. | Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | N.A. |

C. In case promoter is an Individual:

| Sr. No. | Nature of Relationship | Entity |
|---------|--|----------------------------------|
| 1. | Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member. | Shelter Pharmacy Private Limited |
| 2. | Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital. | NIL |
| 3. | Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%. | M/s. Gandhi Brothers |

D. All persons whose shareholding is aggregated under the heading "shareholding of the Promoter Group":

As on date of this Draft Letter of Offer, the Promoter Group as defined under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018, holds 31,38,000 Equity Shares of the Company representing 27.16% of the shareholding of the Company. Please refer shareholding pattern uploaded on website of BSE Limited for more details.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to ***Annexure- VII*** of section ***titled "Financial Statements as Restated"*** beginning on page 114 of this Draft Letter of offer.

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by majority of the Shareholders at the General Meeting. Under the Companies Act, 2013, dividends may be paid out of profits of a company in the year in which the Dividend is declared or out of the undistributed profits or reserves of the previous 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. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have a formal dividend policy for declaration of dividend in respect of Equity shares. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

SECTION VI – FINANCIAL INFORMATION**FINANCIAL STATEMENTS**

| S. No. | Particulars | Page No. |
|---------------|---|-----------------|
| 1. | Report of Statutory Auditor on Financial Statements of our Company including notes to financial statements as at and for the Financial Year ended March 31, 2024. | 114 |
| 2. | Statement of Accounting Ratios | 143 |

INDEPENDENT AUDITOR'S REPORT

To the Members of Shelter Pharma Limited

Report on the Audit of the Stand Alone Financial Statements

Opinion

We have audited the accompanying Standalone Financial statement of **Shelter Pharma Limited(CIN.L24233GJ2007PLC051956)** (the "Company"), for the year ended on March 31, 2024 the Statement of Profit and Loss and Cash Flow Statement for the year ended, and notes to the standalone financial statement, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its Profit, 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 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 Standalone Financial statement 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 standalone financial results under the provisions of the Companies Act, 2013 and the Rules there under, 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.

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 matter describe below to be key audit matter to be communicated below. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance to these procedures designed to respond to our assessment of the risk of the material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other Information comprises the information included in the board's report including Annexure to Board's Report, Management report but does not include the financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express our conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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.

Management's Responsibilities for the Standalone Financial Statements

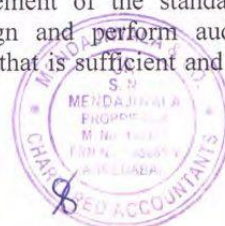
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Standalone 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to



provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

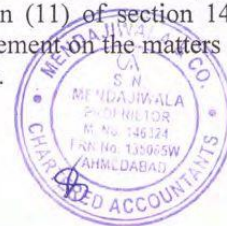
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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.

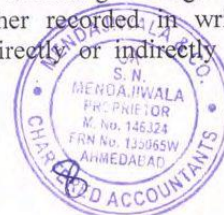
Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Company.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and explanation given to us, the remuneration paid by company to its directors during the year is in accordance with provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - i) The company does not have any pending litigation which would impact on its financial position.
 - ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii). There were no amounts which required to be transferred to the investor education and Protection fund by the company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds 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(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or



invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no 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, and

(c) Based on the audit procedures adopted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.

(v) The company has not declared or paid any dividend during the year. Therefore, compliance of provisions of section 123 of the Act is not applicable

(vi). Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Mendajiwa la & Co.
Chartered Accountants
(Firm’s Registration No. 135065W)

MohSoel N Mendajiwala
(Proprietor)
(M. No. 146324)

Place: Ahmedabad
Date: 24th May, 2024
UDIN: 24146324BKAAIS9002



Independent Auditor's Report Annexure - A

Referred to in Paragraph 1. Under the heading of "Report on other legal and regulatory requirements" section of our report of even date.

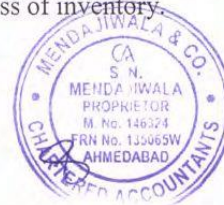
In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of Property, Plant and Equipment and Intangible Assets :-

- (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of intangible assets during the year under audit.
- (C) The Company has a regular programme of Physical Verification of its Property, Plant & Equipment by which all Property, Plant & Equipment are physical verified by the management in the phase manner over the period of three years which is in our opinion, reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, major portion of property Plant & Equipment have been physically verified by the management during the year and no serious discrepancies have been noticed on such verification.
- (D) The title deed of all immovable properties disclosed in financial statements of the company as a property, plant & equipment or as investment property are held in the name of company.
- (E) Based on our audit procedures and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment or Intangible assets during the year.
- (F) Based on our audit procedures and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under Prohibition of Benami Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and rules made there under during the year.

ii. In respect of its Inventories:-

- a) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the company and nature of its operations. The discrepancies noticed on physical verification of inventories as compared to book records did not exceed 2% or more in aggregate for any class of inventory.



b) According to the information and explanations given to us, the company has not availed any working capital facility.

iii. In respect of Loans/Guarantee/Security/ Investment given/made by the company:-

The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties during the year. The Company has not made investment or provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year.

iv. In respect of Loans/Investments/Guarantees/ Security by the company:-

On the basis of our examination of the records, in respect of loan, the provisions of sections 185 & 186 of the Companies Act, 2013 have been complied with by the Company.

v. In respect of Deposits:-

The Company has not accepted any public deposits and also no amounts which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.

vi. In respect of Cost Records :-

We have broadly reviewed the cost records maintained by the company pursuant to the Companies (cost records and Audit) Rules, 2014 prescribed by the central government under Section 148(1) of the Companies Act, 2013 and are of opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however not made detailed examination of the cost records, with a view to determined whether they are accurate or complete.

vii. In respect of statutory dues:

The company is generally regular in depositing of tax and levies with Appropriate Authorities undisputed statutory dues including Income Tax, Goods and Service Tax, Custom Duty and other material statutory dues applicable to it. According to the information and explanation given to us, there were no undisputed amount payable in respect of such due which were outstanding as at 31st March, 2024 for a period more than six months from the date they became payable.

viii. In respect of Repayment of Loans :-

- (a) Based on our audit procedures, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon due to any lender.
- (b) Based on our audit procedures, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



ix. In respect of Utilization of IPO and Private Placement and Preferential Issues :-

- a) According to the information and explanations given to us, the company has raised moneys by way of Initial public offer during the year have been applied for the purposes for which those raised.
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and therefore no further information is required to be furnished under this clause.

x. In respect of Reporting Of Fraud :-

- a) Based upon the audit procedures performed, we report that no fraud by the company or any fraud on the company has been noticed or reported during year.
- a) During the year, no report under sub section (12) of section 143 of the Companies Act has been filed by us in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- b) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xi. In respect of Nidhi Company:-

The Company is not a Nidhi Company as per the provision of companies Act, 2013. Therefore, the provision of clause 3 (xii) (a), (b) & (c) of the company's (Auditor's Report) order, 2020 is not applicable.

xii. In respect of Related Party Transaction:-

In our opinion, the all transaction entered by the company with related parties are in compliance with the provision of section 177 and 188 of the Companies Act, 2013 and details thereof have been properly disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

xiii. In respect of Internal Audit:-

In our opinion and based on our examination, according to the size and nature of the business, the company has established the internal audit system as per the provision of section 138 of Companies Act, 2013. Further, we have considered the internal audit report issued to the company by the internal auditor for the year ended 31st March, 2024.

xiv. In respect of Non- cash Transaction:-

The company has not entered into any noncash transactions with the directors or persons connected with him during the year. Therefore, the provision of clause 3 (xv) of the company's (Auditor's Report) order, 2020 is not applicable.

xv. In respect of Register Under RBI Act,1934:-

The registration under section 45 IA of Reserve Bank of India Act, 1934 is not required as the company is not engaged in the business of a nonbanking financial institution (as



defined in section 45-I(a) of the Reserve Bank of India Act, 1934) as its principal business and hence clause 3 (xvi) (a) to (d) of Company's (Auditor's Report) Order, 2020 is not applicable.

xvi. In respect of Cash Losses:-

The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xvii. In respect of Auditor's Resignation:-

There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.


xviii. In respect of Financial Position:-

On the basis of the financial ratios disclosed in the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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.

xix. In respect of Corporate Social Responsibility:-

Based upon the audit procedures performed, unspent amount under section 135(5) of the Companies Act, 2013 Company will transfer the fund Specified in Schedule VII.

For Mendajiwala & Co.
Chartered Accountants
(Firm's Registration No. 135065W)


MohSoel N Mendajiwala
(Proprietor)
(M. No. 146324)



Place: Ahmedabad
Date: 24th May, 2024
UDIN: 24146324BKAAIS9002

Independent Auditor's Report Annexure - B

Referred to in (f) of Paragraph 2 under the heading of "Report on other legal and regulatory requirements" section of our report of even date.

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of SHELTER PHARMA LIMITED ("the Company") as at March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

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

Auditors' Responsibilities

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements.

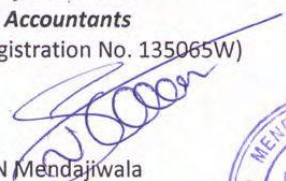
A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 standalone financial statements because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

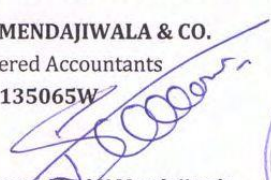

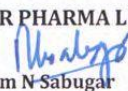
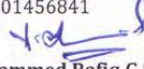


Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on, the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mendajiwa la & Co.**Chartered Accountants**

(Firm's Registration No. 135065W)


MohSoel N Mendajiwala
(Proprietor)
(M. No. 146324)Place: Ahmedabad
Date: 24th May, 2024
UDIN: 24146324BKAAIS9002

| SHELTER PHARMA LIMITED CIN NO. : L24233GJ2007PLC051956 PART- I BALANCE SHEET Balance Sheet as at March 31,2024 | | | |
|---|----------|--|----------------------------------|
| (Rs.In Lakhs) | | | |
| Particulars | Note No. | For the year ended on 31.03.2024 | For the year ended on 31.03.2023 |
| 1 | 2 | 3 | 4 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2.1 | 1,155.98 | 774.38 |
| (b) Reserves and Surplus | 2.2 | 2,425.60 | 680.50 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 2.3 | 57.32 | 48.00 |
| (b) Deferred Tax Liabilities (Net) | 2.4 | - | 12.29 |
| (c) Other Long Term liabilities | | | |
| (d) Long term Provisions | 2.5 | 5.10 | 4.90 |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 2.6 | 0.41 | 130.41 |
| (b) 1. Trade Payables - others | 2.7 | 70.12 | 45.63 |
| 2. Trade Payables - MSME | | 1.28 | 1.12 |
| (c) Other Current Liabilities | 2.8 | 6.16 | 262.37 |
| (d) Short-Term Provisions | 2.9 | 69.52 | 185.25 |
| Total Equity & Liabilities | | 3,791.48 | 2,144.84 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Plant, Porperty & Equipments and Intangible Assets | | | |
| (i) Plant, Porperty & Equipments | 2.10 | 357.07 | 184.51 |
| (ii) Intangible Assets | | 0.88 | |
| (b) Non-current Investments | 2.11 | 67.63 | 67.63 |
| (c) Deferred tax assets (net) | 2.12 | 3.56 | - |
| (d) Long term loans and advances | 2.13 | 390.46 | 21.12 |
| (e) Other Non-Current Assets | | | |
| (2) Current Assets | | | |
| (a) Current investments | | | |
| (b) Inventories | 2.14 | 992.90 | 796.45 |
| (c) Trade receivables | 2.15 | 885.01 | 819.47 |
| (d) Cash and cash Equivalents | 2.16 | 503.97 | 42.85 |
| (e) Short-term loans and advances | 2.17 | 389.40 | 0.10 |
| (f) Other Current Assets | 2.18 | 200.59 | 212.72 |
| Total Assets | | 3,791.48 | 2,144.84 |
| As per our report of even date attached | | | |
| FOR, MENDAJIWALA & CO. Chartered Accountants FRN: 135065W  Mohammed Soel N Mendajiwala (Proprietor) Membership No. 146324  | | FOR AND BEHALF OF THE BOARD SHELTER PHARMA LIMITED  Mustaqim N Sabugar Chairmain & Managing Director DIN: 01456841  Mohammed Rafiq G Shaikh Chief Financial Officer  Shakil N Sabugar Whole Time Director DIN: 01474868  Yashesh V Shah Company Secretary | |
| Place: Ahmedabad Date: 24/05/2024 | | Place: Ahmedabad Date: 24/05/2024 | |

| SHELTER PHARMA LIMITED CIN NO.: L24233GJ2007PLC051956 PART- II STATEMENT OF PROFIT AND LOSS Profit and Loss Statement for the year ended March,31 2024 (Rs.In Lakhs) | | | | |
|---|--|----------|-------------------------|-------------------------|
| Sr. No | Particulars | Note No. | Amount as at 31.03.2024 | Amount as at 31.03.2023 |
| | 1 | 2 | 3 | 4 |
| | Income | | | |
| I | Revenue from operations | 3.1 | 4,002.29 | 3,615.27 |
| II | Other Income | 3.2 | 0.39 | 0.24 |
| III | Total Income (I +II) | | 4,002.67 | 3,615.51 |
| | Expenses | | | |
| IV | (a) Cost of Material Consumed | 3.3 | 2,885.38 | 2,631.22 |
| | (b) Purchases of Stock-in-Trade | | | |
| | (c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 3.4 | 7.08 | -5.97 |
| | (d) Employee Benefit Expense | 3.5 | 86.61 | 55.45 |
| | (e) Finance Cost | 3.6 | 4.66 | 1.39 |
| | (f) Depreciation & Amortised Expense | 3.7 | 24.60 | 16.41 |
| | (g) Other Expenses | 3.8 | 153.95 | 121.87 |
| | Total Expenses | | 3,162.28 | 2,820.38 |
| V | Profit before exceptional and extraordinary items and tax (III - IV) | | 840.40 | 795.14 |
| VI | Exceptional Items | | | |
| | Prior Period Items | | | 90.00 |
| VII | Profit before extraordinary items and tax (V - VI) | | 840.40 | 705.14 |
| VIII | CSR Provision | | 12.14 | 6.96 |
| IX | Profit before tax (VII - VIII) | | 828.26 | 698.18 |
| X | Tax expense: | | | |
| | (1) Current tax | | 208.47 | 175.73 |
| | (2) Deferred tax | | -3.56 | 1.87 |
| | (3) Prior Period tax | | 3.33 | |
| | (4) Less : TDS | | | |
| XI | Profit/(Loss) for the period from continuing operations (IX - X) | | 620.02 | 520.58 |
| XII | Profit/(loss) from discontinuing operations | | | |
| XIII | Tax expense of discounting operations | | | |
| XIV | Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII) | | | |
| XIII | Profit/(Loss) for the period (XI + XIV) | | 620.02 | 520.58 |
| XVI | Earning per equity share of Rs.10 each | | | |
| | (1) Basic | | 5.36 | 6.72 |
| | (2) Diluted | | 5.36 | 6.72 |

As per our report of even date attached

FOR, MENDAJIWALA & CO.
Chartered Accountants
FRN: 135065W

Mohammed Soel N Mendajiwala
(Proprietor)
Membership No. 146324



Place: Ahmedabad
Date: 24/05/2024

FOR AND BEHALF OF THE BOARD
SHELTER PHARMA LIMITED

Mustaqim N Sabugar
Chairman & Managing Director
DIN: 01456841

Shakil N Sabugar
Whole Time Director
DIN: 01474868

Mohammed Rafiq G Shaikh
Chief Financial Officer

Yashesh V Shah
Company Secretary

Place: Ahmedabad
Date: 24/05/2024

SHELTER PHARMA LIMITED
CIN NO.: L24233GJ2007PLC051956



Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2024

3.1 Revenue from Operations

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--------------------------|-----------------|-----------------|
| 1 | Sale of products | 4,002.29 | 3,615.27 |
| 2 | Other operating revenues | | |
| | Total | 4,002.29 | 3,615.27 |

3.2 Other Income

₹

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---|-------------|-------------|
| 1 | Other non-operating income (net of expenses directly attributable to such income) | 0.39 | 0.24 |
| | Total in ₹ | 0.39 | 0.24 |

3.3 Cost of Raw Material Consumed

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--------------------------------------|-----------------|-----------------|
| | Raw Material | | |
| | Opening Stock | 512.09 | 289.03 |
| | Add: Purchase | 3,088.90 | 2,854.28 |
| | | 3,600.99 | 3,143.31 |
| | Less: Closing Stock | 715.62 | 512.09 |
| | Cost of Raw Material Consumed | 2,885.38 | 2,631.22 |
| | Total | 2,885.38 | 2,631.22 |

3.4 Change in Inventories of finished goods work-in-

₹

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---|-------------|--------------|
| | Inventories at the End of the year | | |
| | Finished Goods | 93.13 | 97.45 |
| | Work In Progress | 92.10 | 94.30 |
| | Packing and other Material | 92.05 | 92.61 |
| | | 277.28 | 284.36 |
| | Inventories at the beginning of the year | | |
| | Finished Goods | 97.45 | 91.41 |
| | Work In Progress | 94.30 | 92.28 |
| | Packing and other Material | 92.61 | 94.70 |
| | | 284.36 | 278.39 |
| | Total | 7.08 | -5.97 |



3.5 Employment Benefit Expenses

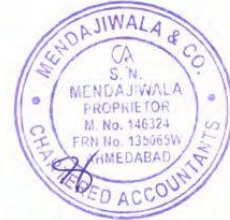
| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---|--------------|--------------|
| 1 | Directors Remuneration | 24.00 | 10.14 |
| 2 | House Rent Allowance | 0.00 | 1.61 |
| 3 | Leave Travel Allowance | 0.00 | 0.72 |
| 4 | Medical Allowance | 0.00 | 0.36 |
| 5 | Salaries, Wages & Bonus | 61.87 | 40.05 |
| 6 | Staff Welfare & Perks | 0.13 | 0.27 |
| 7 | Gratuity Expenses (<i>Refer Note 25A</i>) | 0.00 | 1.16 |
| 8 | Conveyance Expenses | 0.59 | 1.14 |
| 9 | Provident Fund Expenses | 0.02 | 0.00 |
| | Total | 86.61 | 55.45 |

3.6 Finance Cost

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|----------------------|-------------|-------------|
| 1 | Interest | | |
| 2 | Other Borrowing Cost | 4.66 | 1.39 |
| | Total | 4.66 | 1.39 |

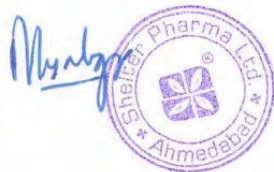
3.7 Depreciation & Amortised Cost

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--------------|--------------|--------------|
| 1 | Depreciation | 24.60 | 16.41 |
| | Total | 24.60 | 16.41 |



3.8 Other Expenses

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|-----------------------------------|---------------|---------------|
| | Direct expenses | | |
| 1 | Carriage Inward | 2.83 | 3.05 |
| 2 | GST & VAT | 6.59 | 0.00 |
| 3 | Machinery Expense | 2.17 | 5.11 |
| 4 | Power and Fuel | 6.62 | 6.35 |
| 5 | Packaging Expense | 14.66 | 15.16 |
| | In-Direct expenses | | |
| 1 | Advertising Expense | 1.75 | 2.31 |
| 2 | Air and Ocean Freight | 9.53 | 0.84 |
| 3 | Bank Charges | 0.62 | 0.58 |
| 4 | Books & Periodicals | 0.21 | 0.39 |
| 5 | Charity & Donation | 2.71 | 2.23 |
| 6 | Telephone Expense | 0.13 | 0.11 |
| 7 | Computer Expense | 0.29 | 0.49 |
| 8 | Commission | 0.60 | 3.99 |
| 9 | Business Promotion Expense | 2.42 | 0.27 |
| 10 | Discount Allowed | 1.59 | 0.29 |
| 11 | Debit-Credit Writte Off | | 0.01 |
| 12 | Factory Expense | 9.33 | 10.74 |
| 13 | Fee Expense | 6.23 | 2.45 |
| 14 | Foreign Exchange Loss | -0.24 | -0.16 |
| 15 | Interest | 21.08 | 0.55 |
| 16 | Insurance Expense | 0.36 | 0.13 |
| 17 | Laboratory and Testing Expense | 0.33 | 0.60 |
| 18 | Other General Expenses | 0.93 | 2.87 |
| 19 | Office Expenses | 0.99 | 0.06 |
| 20 | Pallets & Shrink Wrapping Charges | 0.27 | 0.24 |
| 21 | Postage & Courier | 0.24 | 1.01 |
| 22 | Printing and Stationary | 0.83 | 1.77 |
| 23 | Product Approval Expense | 0.11 | 1.56 |
| 24 | Product Development Charges | 0.61 | 2.13 |
| 25 | Professional Fees | 1.73 | 0.84 |
| 26 | Rates & Taxes | 0.53 | 0.41 |
| 27 | Registration Expense | 0.12 | 1.42 |
| 28 | Remuneration to Auditors | 0.50 | 0.30 |
| 29 | Rent | | 2.80 |
| 30 | Repair and Maintenance | 0.12 | 1.37 |
| 31 | Research and Development | 1.285 | 1.45 |
| 32 | ROC Filing Fees | 0.229 | 0.36 |
| 33 | Sales Promotion | | 2.01 |
| 34 | Travelling Expense | 10.63 | 4.80 |
| 35 | Taxi Tour | 6.74 | 6.31 |
| 36 | Tender Fee | 0.03 | 0.10 |
| 37 | Transportation Expense | 7.79 | 3.72 |
| 38 | Trademark | | 0.30 |
| 39 | Bad Debts Written Off | 30.00 | 30.00 |
| 40 | Website Expense | 0.48 | 0.56 |
| | Total | 153.95 | 121.87 |



3.9 Earning Per share

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------------------|-------------|------------|
| Profit After Tax | 620.02 | 520.58 |
| Equity shares on balancesheet date | 1,15,59,792 | 77,43,792 |
| Weighted Average No. of Equity Shares | 1,15,59,792 | 77,43,792 |
| Basic Earning Per Share | 5.36 | 6.72 |
| Diluted earning per share | 5.36 | 6.72 |
| Face Value of (Rs.) | 10 | 10 |



3.9 Earning Per share

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------------------|-------------|------------|
| Profit After Tax | 620.02 | 520.58 |
| Equity shares on balancesheet date | 1,15,59,792 | 77,43,792 |
| Weighted Average No. of Equity Shares | 1,15,59,792 | 77,43,792 |
| Basic Earning Per Share | 5.36 | 6.72 |
| Diluted earning per share | 5.36 | 6.72 |
| Face Value of (Rs.) | 10 | 10 |



SHELTER PHARMA LIMITED
CIN NO.: L24233GJ2007PLC051956



Notes Forming Integral Part of the Balance Sheet as at 31st March,2024

2.2 Reserves & Surplus

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--|-----------------|---------------|
| 1 | Profit & Loss Account | | |
| | Opening Balance | 586.32 | 338.35 |
| | Add: Profit for the year | 620.02 | 520.58 |
| | Add: MAT Adjustment Prior Period | | - |
| | Add/ Less : (DTE)/ DTI | 3.56 - | 1.58 |
| | Add/ Less : Prior Period Adjustment of DTL | 12.29 - | 10.42 |
| | Less : Prior Period Adjustment of Gratuity | | 4.12 |
| | Less : Write off Against Bad Advances | | 90.00 |
| | Less : Issue Exp. | -111.89 - | 20.11 |
| | Closing Profit & Loss Account | 1,110.30 | 912.70 |
| 2 | Securities Premium | 1,221.12 | 399.60 |
| 3 | Less : Transfer to Share Capital Account (Rs.3,99,60,130 Utilized from Securities Premium and Rs.3,26,37,920 Utilized from General Reserves) | - | 725.98 |
| 4 | Revaluation Reserve | | |
| | Opening Balance | 94.18 | 94.18 |
| | Less: Written off | - | - |
| | Closing Balance | 94.18 | 94.18 |
| | Total | 2,425.60 | 680.50 |

2.3 Long Term Borrowings

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---|--------------|--------------|
| 1 | <u>Unsecured</u> Term Loan from Bank | 57.32 | 48.00 |
| | Total | 57.32 | 48.00 |

2.4 Deferred Tax Liabilities

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---|------------|--------------|
| 1 | <u>Deferred Tax Liabilities</u> | | |
| | Opening Balance | 12.29 | 1.87 |
| | Add/Less : Transfer to Profit & Loss Account | - 12.29 | 10.42 |
| | Add/Less : Prior Period Transfer to Profit & Loss Account | | |
| | Less: DTA for the current period | | |
| | Closing Balance | - | 12.29 |
| | Total | - | 12.29 |

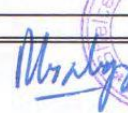

2.5 Long term Provisions

| Sr. | Particulars | 31.03.2024 | 31.03.2023 |
|-----|--|-------------|-------------|
| 1 | Provision for Gratuity (<i>Refer Note - 27A</i>) | 5.10 | 1.10 |
| | Add : Prior period adjustment for Gratuity | | 3.80 |
| | Total | 5.10 | 4.90 |

2.6 Short Term Borrowings

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--------------------------------------|-------------|---------------|
| 1 | <u>Unsecured</u> From Directors | 0.41 | 130.41 |
| 2 | Current Maturities of Long Term debt | | |
| | Total | 0.41 | 130.41 |



SHELTER PHARMA LIMITED

CIN NO.: L24233GJ2007PLC051956


Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024
Disclosure on Loans/ Advance From Directors/ KMP/ Related parties:

| Sr. No | Particulars | Amount of loan or advance in the nature of loan Outstanding | Percentage to the total Loans and Advances in the nature of loans |
|--------|-----------------|---|---|
| 1 | Promoters | | |
| 2 | Directors | 0.41 | 100.00% |
| 3 | KMPs | | |
| 4 | Related Parties | | |
| | Total | 0.41 | - 100.00% |

2.7 Trade Payable

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--|--------------|--------------|
| 1 | Sundry Creditors for Goods - others | 18.36 | 45.63 |
| 2 | Sundry Creditors for Goods - MSME | 1.28 | 1.12 |
| 3 | Sundry Creditors for Expenses - others | 51.76 | |
| 4 | Sundry Creditors for Expenses - MSME | - | - |
| | Total | 71.40 | 46.75 |

Trade Payable ageing schedule

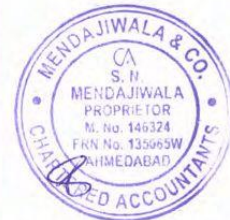
| Sr. No | Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--------|------------------------|--|-----------|-----------|-------------------|-------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 1.28 | | | | 1.28 |
| (ii) | Others | 70.12 | | | | 70.12 |
| (iii) | Disputed Dues - MSME | | | | | |
| (iv) | Disputed Dues - Others | | | | | |

2.8 Other Current Liabilities

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|-----------------------|-------------|---------------|
| 1 | TDS Payable | 0.20 | 0.28 |
| 2 | TCS Payable | 0.28 | 0.72 |
| 3 | Advance From Customer | 5.68 | 11.37 |
| 4 | Trade Advance | - | 250.00 |
| | Total | 6.16 | 262.37 |

2.9 Short term Provisions

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---|--------------|---------------|
| 1 | Opening Balance | 177.91 | 93.08 |
| | Less : Paid during the year | -200.32 | -90.91 |
| | Add: Current Year Provision | 229.02 | 175.73 |
| | Less : Advance Tax | -150.00 | |
| | Closing Balance | 56.60 | 177.91 |
| 2 | Provision for CSR | 12.14 | 6.96 |
| 3 | Provision for Gratuity (Refer Note - 26A) | 0.38 | 0.38 |
| 4 | Provision other | 0.39 | |
| | Total | 69.52 | 185.25 |



SHELTER PHARMA LIMITED

CIN NO.: L24233GJ2007PLC051956



Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024

2.11 Investment

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|-----------------------------------|--------------|--------------|
| 1 | Aditya Birla Sun Life Mutual Fund | 0.05 | 0.05 |
| 2 | Investment in Property | 67.58 | 67.58 |
| | Total | 67.63 | 67.63 |

2.12 Deferred Tax Assets

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--|-------------|------------|
| 1 | Deferred tax assets | | |
| | Opening Balance | | 1.58 |
| | Add/Less : Transfer to Profit & Loss Account | 3.56 | -1.58 |
| | Closing Balance | | |
| | Total | 3.56 | - |

2.13 Long Term Loans and Advances

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|-------------------------------|---------------|--------------|
| 1 | Security Deposits | | |
| | i. Unsecured, considered good | 17.68 | 1.94 |
| 2 | Advance to Party | 372.77 | 19.18 |
| | Total | 390.46 | 21.12 |

2.14 Inventories

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|----------------------------|---------------|---------------|
| 1 | Raw materials | 715.62 | 512.09 |
| 2 | Work-in-progress | 92.10 | 97.45 |
| 3 | Finished goods | 93.13 | 94.30 |
| 4 | Packing and other Material | 92.05 | 92.61 |
| | Total | 992.90 | 796.45 |

2.15 Trade Receivables

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|--|---------------|---------------|
| 1 | Trade Receivables Outstanding for a period more than Six Months from the date they are due for payment | | |
| | (a) Unsecured, considered good | | - |
| | (b) Doubtful | | - |
| | Less: Advance From Parties | | - |
| 2 | Trade Receivables Outstanding for a period less than Six Months from the date they are due for payment | | |
| | (a) Secured, considered good | 885.01 | 819.47 |
| | Total | 885.01 | 819.47 |



SHELTER PHARMA LIMITED

CIN NO.: L24233GJ2007PLC051956

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024



| Sr. No | Particulars | Outstanding for following periods from the date of payment | | |
|--------|---|--|-----------|-------------------|
| | | 1-2 years | 2-3 years | More than 3 years |
| (i) | Undisputed Trade receivables- considered good | 866.87 | | |
| (ii) | Undisputed Trade Receivables- Considered Doubtful | | | 15.63 |
| (iii) | Disputed Trade Receivables considered good | | | 2.51 |
| (iv) | Disputed Trade Receivables considered doubtful | | | |
| | Total | 866.87 | - | 18.14 |

2.16 Cash & Cash Equivalents

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|---------------------|---------------|--------------|
| 1 | Balances with banks | 417.08 | 8.05 |
| 2 | Cash -in hand | 84.75 | 34.61 |
| 3 | Fixed deposit | 2.14 | 0.19 |
| | Total | 503.97 | 42.85 |

2.17 Short Term Loan and Advances & Provisions

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|-----------------------|---------------|-------------|
| 1 | Prepaid Exp. | | |
| | (i) Prepaid Insurance | 0.03 | 0.10 |
| | (ii) Advance to Party | 389.37 | |
| | Total | 389.40 | 0.10 |

2.18 Other Current Assets

| Sr. No | Particulars | 31.03.2024 | 31.03.2023 |
|--------|----------------------------|---------------|---------------|
| 1 | Advances for Advertisement | | |
| | Opening Balance | 206.72 | 236.72 |
| | Less : Write Off | -30.00 | -30.00 |
| | Realized During the Year | | |
| | Closing Balance | 176.72 | 206.72 |
| 2 | GST Receivable | 23.31 | 5.63 |
| 3 | TDS | 0.57 | 0.37 |
| | Total | 200.59 | 212.72 |





SHELTER PHARMA LIMITED
CIN NO.: L24233GJ2007PLC051956

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2024

2.10 Plant, Property & Equipments and Intangible Assets

| Sr. No | Particulars | Rate WDV | Gross Block | | | Depreciation | | | Net Block | | | |
|-----------|---|----------|------------------|--------------------------|---------------------------|------------------|--------------------------|-------------------------------|------------------|----------------------|----------------------|--------|
| | | | As on 01.04.2023 | Addition during the year | Deduction during the year | As on 01.04.2023 | Addition during the year | Adjustment for Previous Years | As on 31.03.2024 | WDV as on 31.03.2024 | WDV as on 31.03.2023 | |
| I | Plant, Property & Equipments and Intangible Assets | | | | | | | | | | | |
| 1 | Building (WIP) | 0.00% | - | 61.83 | - | - | - | - | - | - | 61.83 | - |
| 2 | Building | 9.50% | 306.86 | 8.77 | - | 128.18 | 20.44 | - | 148.62 | - | 167.00 | 178.67 |
| 3 | Plant and Machinery | 18.10% | 48.56 | 13.14 | - | 43.61 | 3.69 | - | 47.30 | - | 14.40 | 4.96 |
| 4 | Office Equipment | 45.07% | 1.66 | 0.13 | - | 1.36 | 0.08 | - | 1.43 | - | 0.36 | 0.30 |
| 5 | Furniture & Fixtures | 25.89% | 9.22 | - | - | 9.08 | 0.07 | - | 9.15 | - | 0.07 | 0.14 |
| 6 | Computer | 63.16% | 3.07 | 0.42 | - | 2.64 | 0.32 | - | 2.95 | - | 0.54 | 0.44 |
| 7 | Vehicle | 39.30% | 3.06 | - | - | 3.06 | - | - | 3.06 | - | - | - |
| 8 | Laboratory Equipments | | - | 26.57 | - | - | - | - | - | - | 26.57 | - |
| 9 | Office Purchase Account | | - | 86.29 | - | - | - | - | - | - | 86.29 | - |
| II | Intangible Assets | | | | | | | | | | | |
| | Computer Software & Trademark | | - | 0.89 | - | - | - | 0.01 | - | - | - | - |
| | TOTAL (Current Year) | | 372.43 | 198.05 | - | 187.92 | 24.60 | - | 212.53 | - | 357.95 | 184.51 |
| | TOTAL (Previous Year) | | 372.02 | 55.87 | 55.45 | 171.51 | 16.41 | - | 187.92 | - | 184.51 | 200.50 |



| SHELTER PHARMA LIMITED | | | |
|---|----------------|-------------------------|-------------------------|
| CIN NO.: L24233GJ2007PLC051956 | | | |
| Standalone Cash Flow Statement for the year ended March 31, 2024 | | | |
| (Rs.In Lakhs) | | | |
| Particulars | | For the year ended on | For the year ended on |
| | | 31.03.2024 (Audited) | 31.03.2023 (Audited) |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit / (Loss) Before Tax & Extra Ordinary Items: | | 840.40 | 705.14 |
| Adjustments For: | | | |
| Depreciation & Amortization Expense | | 24.60 | 16.41 |
| Provision for Gratuity | | | 1.16 |
| Bad debt | | 30.00 | - |
| Deferred tax exp / income | | 3.56 | |
| Non-operating income (Intrest Received, etc) | | (0.39) | (0.24) |
| Operating Profit Before Working Capital Changes | i. | 898.17 | 722.47 |
| Adjustments For: | | | |
| (Increase)/ Decrease in Inventories | | (206.56) | (229.03) |
| (Increase)/ Decrease in Trade Receivables | | (65.54) | (658.92) |
| (Increase)/ Decrease in Short Term Loans & Advances | | (389.30) | (0.10) |
| (Increase)/ Decrease in Other Current Assets | | 12.13 | 32.40 |
| Increase/ (Decrease) in Trade Payable | | 24.66 | 14.50 |
| Increase/ (Decrease) Other Current Liabilities | | (256.21) | (4.09) |
| Increase/ (Decrease) Short Term Borrowings | | (130.01) | 117.29 |
| Increase/ (Decrease) Short term provision | | 84.59 | (90.91) |
| Cash Generated From Operations | ii. | (926.25) | (818.86) |
| Income Tax Paid | i+ii | 156.96 | |
| Net Cash From Operating Activities | (A) | (185.02) | (96.38) |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | | (85.19) | (0.41) |
| Purchase of Shares & Funds | | - | - |
| Repayment of Long Term Loans & Advances | | (369.34) | 11.52 |
| Intrest Received | | 0.13 | 0.24 |
| Net Cash From Investing Activities | (B) | (454.40) | 11.34 |
| C) CASH FLOW FINANCING ACTIVITIES | | | |
| Proceeds from issuance of Share Capital | | 1091.23 | 20.11 |
| Increase / (Decrease) in Long term Borrowings | | 9.32 | 48.00 |
| Net Cash From Financing Activities | (C) | 1,100.55 | 27.89 |
| Increase in Cash and Cash Equivalents (A)+(B)+(C) | (D) | 461.13 | (57.15) |
| Cash and Cash Equivalents at the Beginning of the Year | (E) | 42.85 | 10.01 |
| Cash and Cash Equivalents at the End of the Year | (D)+(E) | 503.98 | 42.85 |
| Components of Cash and Cash Equivalents: | | | |
| Cash on Hand | | 84.75 | 34.61 |
| Other Bank Balances | | 419.22 | 8.24 |
| Total | | 503.98 | 42.85 |

As per our report of even date attached-

FOR, MENDAJIWALA & CO.
Chartered Accountants
FRN: 135065W

Mohammed Soel N Mendajiwala
(Proprietor)
Membership No. 146324



FOR AND BEHALF OF THE BOARD
SHELTER PHARMA LIMITED

Mustaqim N Sabugar
Chairman & Managing Director
DIN: 01456841

Mohammed Rafiq G Shaikh
Chief Financial Officer

Shakil N Sabugar
Whole Time Director
DIN: 01474868

Yashesh V Shah
Company Secretary

Place: Ahmedabad
Date: 24/05/2024

Place: Ahmedabad
Date: 24/05/2024

SHELTER PHARMA LIMITED

CIN NO.L24233GJ2007PLC051956

Key Financial Ratios:

| Sr.No | Particulars | Fy 2023-24 | Fy 2022-23 | % Changes |
|-------|---------------------------------|------------|------------|-----------|
| 1 | Current Ratio | 20.15 | 3.00 | 571.67 |
| 2 | Debt Equity Ratio | 0.02 | 0.03 | -33.33 |
| 3 | Debt Service Coverage Ratio | 124.57 | 110.49 | 12.74 |
| 4 | Return on Equity Ratio | 17.31 | 35.78 | -51.62 |
| 5 | Inventory Turnover Ratio | 3.26 | 3.9 | -16.41 |
| 6 | Trade Receivable Turnover Ratio | 4.52 | 4.41 | 2.49 |
| 7 | Trade Payable Turnover Ratio | 43.26 | 61.06 | -29.15 |
| 8 | Working Capital Turnover Ratio | 1.42 | 2.9 | -51.03 |
| 9 | Net Profit Ratio | 15.49 | 14.4 | 7.57 |
| 10 | Return on Capital Employed | 22.89 | 46.55 | -50.83 |

Notes:

1. Debt Equity ratio decreased by 33.33% for the year ended
2. Return on Equity ratio decreased by 51.62% for the year ended
3. Trade receivable turnover ratio increased by 2.49% for the year ended
4. Trade payable turnover ratio decreased by 29.15% for the year ended
5. Net Profit Ratio increased by 7.57% for the year ended



SHELTER PHARMA LIMITED

CIN NO.L24233GJ2007PLC051956

**Disclosure of Significant Accounting Policies****1. Basis of preparation of Financial Statements:**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act..

2. Use of Estimates:

The preparation of financial statement in conformity with generally accepted accounting principles requires management of the company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

3. Accounting Convention:

The company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

4. Property, Plant & Equipments :

Tangible Assets Property, Plants & Equipments are stated at as per Cost Model. i.e., at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Input tax credit of GST, Grants on capital goods are accounted for by reducing the cost of Capital Goods.

plant and equipment are capitalized only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the expenditure can be measured reliably. Repairs and Maintenance costs are recognized in the Statement of Profit and Loss when they are incurred. When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

Intangible assets:

Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprise its purchase price including any costs directly attributable to making the asset ready for their intended use.

5. Depreciation :

Depreciation on property, plant and equipment, tangible and intangible assets, has been provided Under Written Down Value method over the useful life of assets estimated by the management which is in Line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets Purchased/sold during the period is proportionately charged. Depreciation method, useful life & residual Value are reviewed periodically

6. Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue on sale of product is recognized on delivery of the product, when all significant



SHELTER PHARMA LIMITED

CIN NO.L24233GJ2007PLC051956



contractual obligations have been satisfied, the property in goods is transferred for a price, significant risk and reward of ownership have been transferred and no effective ownership control is retained. Interest income is recognized on time proportion basis. Dividend Income is recognized on receipt basis.

7. Inventories:

Raw Materials have been valued at lower of cost or net realizable value. Cost of Finished Goods and semi-finished goods includes all Costs of Purchases, Conversion Cost and other cost Incurred in bringing the inventories to their present location and Condition. The Net realizable value is estimated selling price in the Ordinary course of business less the estimated costs of Completion and estimated cost necessary to make the finished goods/product ready for sale.

8. Borrowing Costs:

Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs, if any, are charged to Profit and Loss account as period cost.

9. Investments:

Non-Current Investments are stated at cost. Provision for diminution in the value of non-current investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

10. Retirement Benefits & Other Employee Benefits:

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss on accrual basis. The Company's obligation is limited to the amount to be contributed by it. The Liability in respect of gratuity is recognized on the basis of actuarial valuation.

11. Cash and cash equivalent:

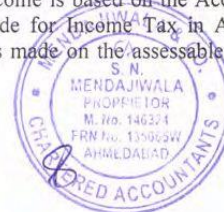
Cash and cash equivalents for the purpose of the cash flow statements comprise cash at bank and in hand and short term investments with an original maturity of three month or less.

12. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. This are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclose in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

13. Taxation :

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income

SHELTER PHARMA LIMITED

CIN NO.L24233GJ2007PLC051956



Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961. Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/ liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

14. Foreign Currency Transaction :

- i) Initial Recognition: Foreign currency transaction, are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) Conversion: Foreign currency monetary items are reported using the closing rate.
- iii) Exchange Difference: Exchange differences arising on the settlement of monetary items at rates different from those at which they are initially recorded during the year or reported in previous financial statement are recognized as income or as expenses at the end of year by applying closing rate.

15. Impairment of Assets:

An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows. An impairment loss is charged off to profit and loss account as and when asset is identified for impairment. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. An asset is treated as impaired when Carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

16. Related Party Disclosures:

Related Party disclosures as required under the Accounting Standard (AS) – 18 on “Related Party Disclosures” notified in Companies (Accounting Standards) Rules, 2006:

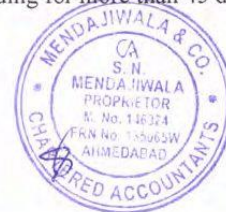
| NAME OF PARTY | NATURE OF TRANSACTION | AMOUNT |
|---------------------------|-------------------------|-------------|
| MustaqimNisarahmedSabugar | Director’s Remuneration | 1200000.00 |
| ShakilNisarahmedSabugar | Director’s Remuneration | 1200000.00 |
| Gandhi Brothers | Sales | 15272631.00 |
| Shelter Pharmacy Pvt.Ltd | Sales | 22896650.00 |

17. Earnings Per Share

During the current year period the company is having Rs. 5.36 Earnings per Share

18. Notes Forming Part Of The Accounts

- a. Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.
- b. Debit/credit balances under the head “Current liabilities”, “Sundry debtors”, “Unsecured loans” and “Loans and advances” are subject to confirmation from respective parties.
- c. On the basis of the information available with the company, there are no Micro, Small and Medium enterprise to whom the company owes dues, which are outstanding for more than 45 days at the balance sheet date.



SHELTER PHARMA LIMITED

CIN NO.L24233GJ2007PLC051956

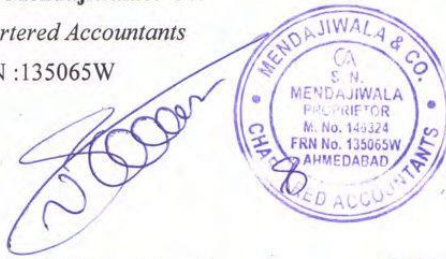


- d. The Company does not have any Contingent liabilities in the nature of claims or guarantees.
- e. The total depreciation attributable to Assets in consideration with WDV rule for calculation of depreciation has been considered in full as on 31.03.2024
- f. Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year's classifications/disclosures.
- g. The company has not entered any transactions with struck off companies under section 248 of the companies Act, 2013 or section 560 of companies Act, 1956.
- h. The company had complied with requirement of registration of charges with Registrar of Companies in respect of borrowings from the bank for company's assets.
- i. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

For, **Mendajiwala & Co.**

Chartered Accountants

FRN :135065W

**MohSoel N Mendajiwala**

Proprietor

Membership No.: 146324

For and on behalf of the Board of Directors

SHELTER PHARMA LIMITED

**MUSTAQIM N SABUGAR**

Managing Director

Din : 01456841

**SHAKIL N SABUGAR**

Director

Din : 01474868

Date: 24/05/2024

Place: Ahmedabad

STATEMENT OF ACCOUNTING RATIOS

Accounting Ratios

The following table presents certain accounting and other ratios derived from our Audited Financial Statements for the year ended March 31, 2024 included in the section titled “**Financial Information**” beginning on page 114 of this Draft Letter of Offer.

Accounting Ratios

(₹ in lakhs unless specified)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|--|------------|------------|------------|
| Earnings Per Share | | | |
| (a) Basic Earnings Per Share (in Rs.) | 5.36 | 6.72 | 38.37 |
| (b) Diluted Earnings Per Share (in Rs.) | 5.36 | 6.72 | 38.37 |
| PAT | 620.02 | 520.58 | 185.69 |
| Networth | 3581.58 | 1454.88 | 880.54 |
| Return on Net Worth (%) | 17.31% | 35.78% | 21.09% |
| Net Asset Value / Book Value per Equity Share each (in Rs.) | 30.99 | 18.79 | 181.93 |
| Face Value per Equity Share (in Rs.) | 10.00 | 10.00 | 10.00 |
| EBITDA | 857.13 | 715.74 | 292.23 |

The ratios have been computed as below:

| Ratio | Computation |
|--|--|
| Basic and Diluted Earnings Per Share | Profit attributable to shareholder / Total number of weighted average number of shares |
| Return on Net Worth | Profit for the Year / Net Worth |
| Net Asset Value / Book Value per Equity Share each | Net Worth / Number of shares as at the end of the relevant period |
| EBITDA | Profit before tax + depreciation and amortization expenses + finance cost - other income |

Calculation of Earning per Equity Share:

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|---|-------------|------------|------------|
| Profit attributable to Equity shareholders (A) (₹ in lakhs) | 620.02 | 520.58 | 185.69 |
| Weighted average number of equity shares outstanding at the end of the period (B) | 1,15,59,792 | 77,43,792 | 4,83,987 |
| Basic and Diluted EPS (A) / (B) (in ₹) | 5.36 | 6.72 | 38.37 |

Calculation of Return on Net Worth:

(₹ in lakhs unless specified)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|---|------------|------------|------------|
| Profit / (loss) after tax (A) | 620.02 | 520.58 | 185.69 |
| Net Worth (B) | 3581.58 | 1454.88 | 880.54 |
| Return on Net-Worth (A/B) (in %) | 17.31% | 35.78% | 21.09% |

Calculation of Net Worth and Net Asset Value per Equity Share:

(₹ in lakhs, Except No. of Equity Shares)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|--|-------------|------------|------------|
| Equity share capital (A) | 1155.98 | 774.38 | 48.40 |
| Other equity (B) | 2425.60 | 680.50 | 832.14 |
| Net-Worth (C) = (A+B) | 3581.58 | 1454.88 | 880.54 |
| Number of Equity shares as at the end of the relevant period (D) | 1,15,59,792 | 77,43,792 | 4,83,987 |
| Net asset value per Equity Share (C/ D) (in ₹) | 30.99 | 18.79 | 181.93 |

Calculation of EBITDA:
(₹ in lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|-----------------------------|---------------|---------------|---------------|
| Profit Before Tax | 828.26 | 698.18 | 275.06 |
| Depreciation & Amortization | 24.60 | 16.41 | 16.88 |
| Finance Cost | 4.66 | 1.39 | 0.72 |
| Less : other Income | 0.39 | 0.24 | 0.43 |
| EBITDA | 857.13 | 715.74 | 292.23 |

Capitalization Statement

The statement on our capitalization is as set out below:

Capitalization statement
(₹ in lakhs, except Borrowing Ratio)

| Particulars | FY 2023-24 PRE ISSUE | FY 2022-23 | As adjusted for proposed Issue POST ISSUE |
|--|-------------------------|-----------------|---|
| A] Borrowings | | | |
| Current Borrowings | 0.41 | 130.41 | [*] |
| Non-Current Borrowings (including current maturity) | 57.32 | 48.00 | [*] |
| Total borrowings (A) | 57.73 | 178.41 | [*] |
| B] Total Equity | | | |
| Share capital | 1155.98 | 774.38 | [*] |
| Reserves and surplus | 2425.60 | 680.50 | [*] |
| Total Equity (B) | 3581.58 | 1,454.88 | [*] |
| Non-current Borrowings / Total Equity ratio | 0.02 | 0.12 | [*] |
| Total borrowings / Total Equity ratio (A/B) | 0.02 | 0.03 | [*] |

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "**Audited Financial Statements**" on page 114 of this Draft Letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should also read "**Risk Factors**" beginning on pages 15 of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our Audited Financial Statements included in this Draft Letter of Offer are prepared in accordance with AS, which differs in certain material respects from other accounting standards. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Financial 2024, Financial 2023 and Financial 2022 included herein is based on the Audited Financial Statements, included in this Draft Letter of Offer. For further information, see "**Financial Statements**" beginning on page 114 of this Draft Letter of Offer.

OVERVIEW OF BUSINESSES

Our revenues from operations for Fiscals 2024, 2023 and 2022 were Rs. 4,002.29 Lacs, Rs. 3,615.27 Lacs and 3005.54 Lacs, respectively. Our EBITDA for the Fiscals 2024, 2023 and 2022 were Rs. 857.13 Lacs, Rs. 715.74 Lacs and Rs. 292.23 Lacs respectively. Our profit after tax for Fiscals 2024, 2023 and 2022 were Rs. 620.02 Lacs, Rs. 520.58 Lacs and Rs. 185.69 Lacs respectively.

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 15 of this Draft Letter of Offer. 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:

Our company's future results of operations could be affected potentially by the following factors:

- Experienced Promoters and Management Team
- Scalable Business Model
- Wide and Diverse Range of Product Offering
- Marketing & Branding Efforts

OUR SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies:

1.1 Basis of preparation of financial statements

- a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- b) The financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.
- c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

1.2 Revenue Recognition

- a) The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.
- b) Sales are recognized at the time of passage of the title that generally coincides with their delivery. Sales are net of GST and Trade discounts.
- c) Machine and labour charges are recognized as per the job invoices raised during the year.
- d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.3 Property, Plant & Equipment and Intangible Assets & Depreciation

- a) Fixed Assets are stated at Cost less accumulated depreciation. The Company has capitalized all cost relating to the acquisition and installation of Fixed Assets.
- b) Depreciation is provided on Fixed Assets on Written down value Method on the basis of Useful Life as prescribed under Part C of Schedule - II of the Companies Act, 2013.
- c) Cost of the fixed assets not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-Progress.

1.4 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

1.5 Investments

Investments classified as long-term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

1.6 Inventories

Inventories consisting of Raw Materials, Finished Goods are valued at lower of cost and net realizable value.

1.7 Employee Benefits

- a) Defined Contribution Plan

Contributions as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund and pension fund are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. There is no other obligation other than the contribution payable to the respective funds.

- b) Defined Benefit Plan

Gratuity being unfunded and are provided based on actuarial valuation made at the end of each financial year using the projected unit credit method.

1.8 Borrowing Costs

- a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- b) Other Borrowing costs are recognized as expense in the period in which they are incurred.

1.9 Taxes on Income

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

1.10 Earnings per Share (EPS)

- a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- b) 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.

1.11 Prior Period Items

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed in financial statements.

1.12 Provisions / Contingencies

- a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) A Contingent Asset is not recognized in the Accounts.

1.13 Segment Reporting

- a) Business Segments

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment, which is Manufacture and Sale of Goods Ayurvedic Products. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.

- b) Geographical Segments

The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

CHANGE IN ACCOUNTING POLICIES

As mentioned in chapter "**Financial Information**" on page 114 of this Draft Letter of Offer, there has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE

The following descriptions set forth information with respect to the key components of the Financial Statements.

Total income

Our revenue comprises

A. Revenue from operations

Our revenue from operations comprises of Sale of Products & other operating revenues.

B. Other Income

Our other income comprises of Other Non-Operating Income.

Expenses

Our expenses comprise of Cost of Material Consumed, Change in Inventories, Employee Benefit Expenses, Finance Cost, Depreciation and Amortisation Expenses and Other Expenses.

A. Finance cost

Our finance costs comprise of Other Borrowing Charges.

B. Employee benefit expenses

Our employee benefit expense consists of Salaries, Wages & Bonus, Allowances, Directors' Remuneration, Employee Welfare Expenses and Gratuity Expenses.

C. Other expenses

Other expenses includes Manufacturing Expenses and other in-direct expenses like Advertisement, Air and Ocean Freight, Auditor's Remuneration, Bank Charges, Books & Periodicals, Commission, Telephone Expenses, Computer Expenses, Professional Fees, Foreign Exchange Loss, Interest, Insurance, Laboratory and Testing Expenses, Office Expenses, Pallets and Shrink Wrapping Charges, Postage & Courier, Product Approval & Registration Expenses, Product Development Charges, ROC

Filing Fees, Sales Promotion Expenses, Trademark Expenses, Tender Fees, Travelling & Transportation Expenses, Website Expenses, Discount Credit Write off, Insurance Expenses, Printing & Stationery, Rates & Taxes, Rent Paid, Repairs & Maintenance and Other General Expenses.

D. Tax expenses

Provision for Tax: Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax, as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets

OUR RESULTS OF OPERATION

The following table sets forth, for the periods indicated, certain items from our financial statements, in each case also stated as a percentage of our total income:

**(Rs. In Lakhs, except EPS)*

| PARTICULARS | *2023-24 | % of Total Income | *2022-23 | % of Total Income | *2021-22 | % of Total Income |
|---|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| INCOME | | | | | | |
| Revenue from Operations | 4,002.29 | 99.99% | 3,615.27 | 99.99% | 3,005.54 | 99.99% |
| Other Income | 0.39 | 0.1% | 0.24 | 0.1% | 0.43 | 1.43% |
| Total Income | 4,002.68 | 100.00% | 3615.51 | 100.00% | 3,005.97 | 100.00% |
| Expenses | | | | | | |
| Cost of Material Consumed | 2885.38 | 72.09% | 2,631.22 | 72.78% | 2,674.82 | 88.98% |
| Changes in inventories of finished goods work-in- progress and Stock-in-Trade | 7.08 | 0.18% | -5.67 | -0.16% | -100.33 | -3.34% |
| Finance Costs | 4.66 | 0.12% | 1.39 | 0.04% | 0.72 | 0.02% |
| Employee Benefit Expenses | 86.61 | 2.16% | 55.45 | 1.53% | 53.23 | 1.77% |
| Depreciation Expense | 24.60 | 0.61% | 16.41 | 0.45% | 16.87 | 0.56% |
| Other Expenses | 153.95 | 3.85% | 121.87 | 3.37% | 85.58 | 2.85% |
| Total Expense | 3,162.28 | 79.00% | 2,820.38 | 78.01% | 273.09 | 9.08% |
| Profit / (loss) before exceptional items and tax | 840.40 | 21.00% | 795.14 | 21.99% | 275.06 | 9.15% |
| Exceptional Items (Prior Period Items) | - | - | 90.00 | 2.49% | - | - |
| CSR Provision | 12.14 | 0.30% | 6.96 | 0.19% | - | - |
| Profit/(loss) before tax | 828.26 | 20.69% | 698.18 | 19.31% | 275.06 | 9.15% |
| Tax Expense: | | | | | | |
| (a) Current Tax | 208.47 | 5.21% | 175.73 | 4.86% | 90.95 | 3.03% |
| (b) Tax of earlier year | 3.33 | 0.08% | - | - | - | - |
| (c) Deferred Tax | -3.56 | -0.09% | 1.87 | 0.05% | 1.58 | 0.05% |
| Total Tax Expense: | 208.24 | 5.20% | 177.60 | 4.91% | 92.53 | 3.08% |
| Profit (Loss) for the period | 620.02 | 15.49% | 520.58 | 14.40% | 185.69 | 6.18% |
| Other Comprehensive Income | - | - | - | - | - | - |
| Total Comprehensive Income for the period | 620.02 | 15.49% | 520.58 | 14.40% | 185.69 | 6.18% |
| Basic & Diluted EPS for Face Value Rs. 10/- (In ₹) | 5.36 | | 6.72 | | 38.37 | |

Comparison of Historical Results of Operations Fiscal 2024 compared to Fiscal 2023.

Revenue from Operations

Our total revenue from operations for Fiscal Year 2024 stood at ₹4,002.29 Lacs, compared to ₹3,615.27 Lacs in Fiscal Year 2023. The increase in operating revenue was primarily due to opening of operations in the new region.

Other income

Our other income for Fiscal Year 2024 was ₹0.39 Lacs, compared to ₹0.24 Lacs in Fiscal Year 2023.

Expenses**Finance Cost**

Our Finance Cost for Fiscal 2024 was 4.66 Lacs as compared to ₹ 1.39 Lacs for the Fiscal 2023. The increase in finance cost was primarily due to increasing in borrowing from bank.

Employee Benefit Expenses

Our Employee Benefit Expenses for Fiscal Year 2024 were ₹86.61 Lacs, compared to ₹55.45 Lacs in Fiscal Year 2023. The increase in Employee Benefit Expenses was due to opening of operations in the new region.

Other Expenses

Our Other Expenses for Fiscal 2024 was 153.95 Lacs as compared to ₹ 121.87 Lacs for the Fiscal 2023. The increase in other expenses was due to expansion of business in other regions.

Profit Before Tax

Our PBT for Fiscal 2024 was ₹ 840.40 Lacs as compared to ₹ 705.14 Lacs for the Fiscal 2023. The increase in Profit Before Tax was due to increase in revenue.

Tax Expenses

Our Tax Expenses for Fiscal 2024 was ₹ 208.24 Lacs as compared to ₹ 177.60 Lacs for the Fiscal 2023. The change was primarily due to increase in revenue.

Profit After Tax

Our PAT for Fiscal 2024 was 620.02 Lacs as compared to ₹ 520.58 Lacs for the Fiscal 2023. The increase in Profit After Tax was primarily due to increase in revenue.

Revenue from Operations

Our total revenue from operations for Fiscal Year 2023 stood at ₹3,615.27 Lacs as compared to ₹3,005.97 Lacs in Fiscal Year 2022. The increase in operating revenue was primarily due to opening of operations in the new region.

Other income

Our other income for Fiscal Year 2023 was ₹0.24 Lacs, compared to ₹0.43 Lacs in Fiscal Year 2022.

Expenses**Finance Cost**

Our Finance Cost for Fiscal 2023 was ₹1.39 Lacs as compared to ₹ 0.72 lacs in Fiscal 2022. The increase in finance cost was primarily due to increasing in borrowing from bank.

Employee Benefit Expenses

Our Employee Benefit Expenses for Fiscal Year 2023 were ₹55.45 Lacs, compared to ₹53.23 Lacs in Fiscal Year 2022. The increase in Employee Benefit Expenses was due to opening of operations in the new region.

Other Expenses

Our Other Expenses for Fiscal 2023 was ₹ 121.87 as compared to ₹ 85.58 lacs in 2022. The decrease in other expenses was due to expansion of business in other regions.

Profit Before Tax

Our PBT for Fiscal 2023 was ₹ 705.14 Lacs as compared to ₹ 2750.62 in fiscal 2022. The decrease in Profit Before Tax was due to increase in revenue.

Tax Expenses

Our Tax Expenses for Fiscal 2023 was ₹ 177.60 Lacs as compared to ₹ 911.07 lacs in fiscal 2022. The change was primarily due to increase in revenue.

Profit After Tax

Our PAT for Fiscal 2023 was ₹ 520.58 Lacs as compared to ₹185.69 Lacs in fiscal 2022. The increase in Profit After Tax was primarily due to increase in revenue.

SECTION VII: 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 exchange against our Company, Promoters, Directors 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, and Group Company (if any), (the “Relevant Parties”).

For the purpose of (V) above, our Board in its meeting held on January 27, 2023, has considered and adopted a ‘Policy for determination of Materiality of Information or Events’ (“**Materiality Policy**”) framed in accordance with Regulation 30 of the SEBI LODR Regulations for identification and determination of whether a particular event / information is material. All outstanding civil litigations and tax proceedings involving our Company and all outstanding litigations/ proceedings in relation to violation of statutory regulations by our Company, where the amount involved in such litigations/ proceedings is equivalent to or in [being lesser of (i) two percent (2 %) of turnover, as per last Standalone Financial Information of our Company, (ii) two percent (2%) of net worth, as per last Standalone Financial Information, except in case the arithmetic value of net worth is negative, and (iii) five percent (5%) of the average of absolute value of profit or loss after tax , as per last three Standalone Financial Information of our Company] (“**Materiality Threshold**”).

Additionally, all other events/ information/ outstanding matters/ litigations involving our Company, where the amount involved, either does not meet the Materiality Threshold or is unquantifiable, but which are material in the opinion of our Board or where an adverse outcome may result in material or adverse impact on the operations or financial position of our Company, have been disclosed in this section.

Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving moral turpitude, notices threatening criminal liability or notices relating to economic offences) shall not be evaluated for materiality until such time our Company is impleaded as defendants in litigation proceedings before any judicial forum.

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Letter of Offer. All terms defined in a particular litigation disclosure below are for that particular litigation only.

CONTINGENT LIABILITIES OF OUR COMPANY

As on March 31, 2024, our Company has the following Contingent Liabilities:

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|----------------|---|----------------------------|
| 1 | Income Tax demands / Notices before CIT Appeals / TDS | 432.67 |
| 2 | Bank Guarantees / Corporate Guarantees | 0.19 |
| Total | | 432.86 |

LITIGATION INVOLVING OUR COMPANY

Litigation against Our Company

All criminal proceedings or proceedings involving issues of moral turpitude: NIL.

All actions by regulatory authorities and statutory authorities: NIL.

Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action: NIL.

Wilful Defaulter: Our Company appeared as Wilful Defaulters’ list as per the Reserve Bank of India provisions:

| Sr. No. | Name of the Bank | Year | Outstanding Amount (In ₹) | Current Status |
|---------|---------------------------------|------|---------------------------|---|
| 1 | Axis Bank, Himmatnagar, Gujarat | 2016 | ₹187.00 Lakhs | <p>The Company furnished Cash Credit of ₹ 200.00 Lakhs against the dues which has been fully adjusted by the Bank vide Letter Ref. No. AXISB/Himmatnagar/1 dated August 19, 2016. The same has not been yet updated and reflected in the records of the CIBIL website.</p> <p>Post this, we escalated this issue to the TransUnion CIBIL (Grievance Request 03496076). In this regard, as per email dated June 30, 2023, our account status has been marked as settled & closed and not a wilful defaulter, however the same is yet to be reflected on the CIBIL website.</p> |

Claims related to Direct and Indirect Taxes:

Direct Tax:

Income Tax:

(₹ in Lakhs)

| Sr. No. | Assessment Year | Document Identification Number & Date | Tax (₹ in Lakhs) | Interest (₹ in Lakhs) | Total Demand of Tax (₹ in Lakhs) | Current Status |
|---------|-----------------|--|------------------|-----------------------|----------------------------------|---|
| 1. | 2010-11 | Demand Reference No. 201220101002723764 3C dated March 28, 2013 issued Under Section 143(3) | - | 4.89 | 4.89 | The Tax amount has been paid, only Interest amount is due. |
| 2. | 2011-12 | Demand Reference No. 201120113702568537 5C dated January 23, 2012 issued under Section 143(1)(a) | - | 16.97 | 16.97 | The Tax amount has been paid, only Interest amount is due. |
| 3. | 2012-13 | Demand Reference No. 201320123700685172 1C dated April 27, 2013 issued under Section 143(1)(a) | 45.48 | 43.82 | 89.31 | The demand is under the dispute; the response has been filed. |

| | | | | | | |
|--------------|---------|---|---------------|--------------|---------------|---|
| 4. | 2013-14 | Demand Reference No. 2018201310002016812C dated December 20, 2018 issued under Section 147 | 119.00 | - | 119.00 | An appeal against the demand has been filed before the Commissioner of Income Tax (Appeals). Matter is still pending. |
| 5. | 2014-15 | Demand Reference No. 2017201410158142110C dated November 13, 2017 issued under Section 154 | 111.99 | - | 111.99 | An appeal against the demand has been filed before the Commissioner of Income Tax (Appeals). Matter is still pending. |
| 6. | 2014-15 | Demand Reference No. 2017201440400144121C dated November 22, 2017 issued under Section 221(1) | 88.38 | - | 88.38 | An appeal against the demand has been filed before the Commissioner of Income Tax (Appeals). Matter is still pending. |
| TOTAL | | | 364.85 | 65.68 | 430.54 | |

| Assessment Year | Section Code | Return acknowledgement Number |
|-----------------|-----------------------------|-------------------------------|
| 2013-14 | Defective Notice u/s 139(9) | 203801161270614 |
| 2013-14 | First Appeal Proceedings | NA |
| 2014-15 | Defective Notice u/s 139(9) | 465857221170115 |
| 2014-15 | First Appeal Proceedings | NA |
| 2014-15 | First Appeal Proceedings | NA |
| NA | Issue Letter | NA |
| NA | Issue Letter | NA |
| NA | Issue Letter | NA |
| NA | Issue Letter | NA |
| 2017-18 | Adjustment u/s 143(1)(a) | NA |

Tax Deducted at Source (TDS):

| Sr. No. | Financial Year | Total Default (₹ in Lakhs) | Current Status |
|---------|----------------|----------------------------|---|
| 1 | 2022-23 | 0.01 | The total default of 2.13 Lakhs is pending. |
| 2 | 2021-22 | 0.03 | |
| 3 | 2020-21 | 0.07 | |
| 4 | Prior Years | 2.02 | |
| | TOTAL | 2.13 | |

Indirect Tax: NIL

Other pending litigations - As per the policy of materiality defined by the Board of Directors of our Company: NIL

Litigation by Our Company

All criminal proceedings: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action: NIL

Claims related to Direct and Indirect Taxes: NIL

Other pending litigations - As per the policy of materiality defined by the Board of Directors of our Company: NIL

LITIGATION INVOLVING OUR PROMOTER

Litigation against Our Promoter

All criminal proceedings or proceedings involving issues of moral turpitude: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action: NIL

Wilful Defaulters:

Our Promoters does not appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

All material civil proceedings: NIL

Claims related Direct and Indirect Taxes:

Direct Tax:

Income Tax:

| Assessment Year | Section Code | Document Identification Number & Date | Status |
|--|--------------|---------------------------------------|---|
| Mr. Mustaqim Nisarahmed Sabugar | | | |
| 2017-18 | 143(1)(a) | Intimation raised on May 17, 2018. | Prescribed Time Limit u/s 43(1)(a) for submission of response has lapsed. Although, the reflection of the said intimation is still appearing. |
| Mr. Shakil Nisarahmed Sabugar | | | |
| 2017-18 | 143(1)(a) | Intimation raised on May 16, 2018. | Prescribed Time Limit u/s 43(1)(a) for submission of response has lapsed. Although, the reflection of the said intimation is still appearing. |

Tax Deducted at Source (TDS): NIL

Indirect Tax: NIL

Other pending litigations – As per the policy of materiality defined by the board of directors of our Company: NIL

Litigation by Our Promoters

All criminal proceedings or proceedings involving issues of moral turpitude: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action: NIL

All material civil proceedings: NIL

Claims related to Direct and Indirect Taxes: NIL

Other pending litigations – As per the policy of materiality defined by the Board of Directors of our Company: NIL

LITIGATION INVOLVING OUR DIRECTORS

Litigation against Our Directors

All criminal proceedings or proceedings involving issues of moral turpitude: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against our directors in the last five financial years including outstanding action: NIL

Wilful Defaulters:

None of our Directors appear on the Wilful Defaulters’ list as per the Reserve Bank of India Circular on Wilful Defaulters’.

All material civil proceedings: NIL

Claims related to Direct and Indirect Taxes:

Direct Tax:

Income Tax: NIL

Tax Deducted at Source (TDS): NIL

Indirect Tax: NIL

Other pending litigations – As per the policy of materiality defined by the Board of Directors of our Company: NIL

Litigation by Our Directors

All criminal proceedings or proceedings involving issues of moral turpitude: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against the directors in the last five financial years including outstanding action: NIL

All material civil proceedings: NIL

Claims related to Direct and Indirect Taxes: NIL

Other pending litigations - As per the policy of materiality defined by the Board of Directors of our Company: NIL

LITIGATION INVOLVING OUR GROUP COMPANIES / ENTITIES:

Litigation against Our Group Companies / Entities:

All criminal proceedings or proceedings involving issues of moral turpitude: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against our group companies in the last five financial years including outstanding action: NIL

Wilful Defaulters:

None of our Group Companies appears on the Wilful Defaulters’ list as per the Reserve Bank of India Circular on Wilful Defaulters’.

All material civil proceedings: NIL

Claims related to Direct and Indirect Taxes:

Direct Tax: NIL

Indirect Tax: NIL

Other pending litigations – As per the policy of materiality defined by the board of directors of our Company: NIL

Litigation by Our Group Companies / Entities:

All criminal proceedings or proceedings involving issues of moral turpitude: NIL

All actions by regulatory authorities and statutory authorities: NIL

Disciplinary action including penalty imposed by SEBI or stock exchanges against the group companies in the last five financial years including outstanding action: NIL

All material civil proceedings: NIL

Claims related to Direct and Indirect Taxes: NIL

Other pending litigations – As per the policy of materiality defined by the Board of Directors of our Company: NIL

LITIGATION INVOLVING OUR SUBSIDIARIES:

As on date of this Draft Letter of Offer, the Issuer Company does not have any Subsidiary Company.

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 145 of this Draft Letter of Offer, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO CREDITORS

As of March 31, 2024, we have 95 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on March 31, 2024 is ₹ 71.40 Lakhs, on a consolidated basis.

Based on the Materiality Threshold, there are no material creditor of our Company as on March 31, 2024.

Details of outstanding dues owed as on March 31, 2024 to MSMEs and other creditors are set out below.

| Creditors | Number of Cases | Amount due (₹ in Lakhs) |
|-----------------|-----------------|-------------------------|
| MSMEs | 01 | 1.28 |
| Other Creditors | 94 | 70.12 |

The details pertaining to amounts due towards the material creditor is available on the website of our Company at <https://www.shelter.co.in/>

Information provided on the website of our Company is not a part of this Draft Letter of Offer and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, <https://www.shelter.co.in/>, would be doing so at their own risk.

(This part is left blank intentionally)

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various Government agencies and other statutory and / or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Letter of Offer and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing of Ayurvedic drugs, we require various approvals and / or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “Key Industry Regulations and Policies” on page of this Draft Letter of Offer.

The Company has its business located at:

Registered Office: Shelter Nagar, Near. S. T. Bus Stand, Himmatnagar - 383001, Gujarat - 383001, India

Corporate Office: 5TH Floor, 501 Sakar 4, Opp. MJ Library Ashram Road Paldi, Ellisbridge, Ahmedabad, Gujarat - 380006

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act 2013 read with relevant rules made thereunder & other applicable provisions of the law, by a resolution passed at its meeting held on January 08, 2025, authorized the Issue, subject to such other authorities as may be necessary, for aggregate amount of up to Rs. 50 Crore (Rupees Fifty Crore), by way of Right Issue(s), on such terms to be decided by the Board.
2. Our Board, in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●]. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

In-principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares to be issued in this Issue pursuant to their letter dated [*] bearing reference no. [*]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated June 01, 2016 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Big Share Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated January 31, 2023 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Big Share Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) for Equity Shares is INE013V01011.
4. The ISIN for Rights Entitlements is [*].

LENDERS CONSENT

1. The Company has only one lender i.e. ICICI Bank Limited. The Company submitted a request for NOC vide email and same was issued by the bank on January 22, 2025.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated October 12, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli in the name of SHELTER PHARMA LIMITED.
2. The Corporate Identification Number (CIN) of the Company is L24233GJ2007PLC051956.

APPROVALS / LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

| Sr. No. | Description | Authority | Registration No. / Reference No. / License No. | Date of Issue | Date of Expiry |
|---------|---|---|--|-------------------|------------------|
| 1. | UDYAM Registration Certificate | Ministry of Micro, Small and Medium Enterprises, Government of India | UDYAM-GJ-21-0002214 | March 11, 2021 | N.A |
| 2. | Intimation Certificate | Office of Inspector under Gujarat Shops and Establishment Act, 2019 | CI137000272; 137INT202201536 | June 24, 2022 | N.A |
| 3. | Registration Certificate (Shops and Establishment (Regulations of Employment and Conditions of Services) Act, 2019) | Himatnagar Nagarpalika | CR137000060 | May 06, 2023 | N.A |
| 4. | Good Manufacturing Certificate (G.M.P Certificate) (Form 26-E-1, Rule 155-B Of Drugs and Cosmetics Rules 1945) | Joint Commissioner (Ayurved) Food and Drugs Control Administration, Gujarat State, Gandhinagar | No. Certi/SHELTER/2020/108792 /D | October 27, 2020 | October 11, 2025 |
| 5. | Certificate of Importer Exporter Code (IEC) | Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry. Government of India. | 0893010251 | November 04, 1993 | N. A |
| 6. | Certificate of Renewal of License to manufacture for sale of Ayurvedic / Siddha / or Unani drugs (under Rule 155 of the Drugs and | Joint Commissioner (Ayurved) (Ayurved, Siddha and Unani Drugs) Food and drugs Control Administration, Gujarat State. | GA/12 | January 03, 2008 | October 11, 2025 |

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| | Cosmetics Rules, 1945) | | | | |
| 7. | Pharmaceuticals Export Promotion Council of India | Ministry of Commerce & Industry, Government of India | PXL/SSM/III/7695/2018-19 | April 14, 2023 | March 31, 2025 |

TAX RELATED APPROVALS / LICENSES / REGISTRATIONS

| Sr. No. | Authorisation granted | Issuing Authority | Registration No. / Reference No. / License No. | Date of Issue | Validity |
|---------|---|---|--|--------------------|-----------|
| 1. | Permanent Account Number (PAN) | Income Tax Department, Government of India | AALCS3158D | October 19, 2007 | Perpetual |
| 2. | Tax Deduction Account Number (TAN) | Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India | AHMS16046C | NA | Perpetual |
| 3. | Goods and Service Tax Identification Number | Government of India | 24AALCS3158D1ZG | September 23, 2017 | NA |
| 4. | Professional Tax Enrolment Certificate (PTEC) (under sub-section (2) of Section 5 of Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976) | Himatnagar Nagarpalika | PEN068001250 | October 01, 2017 | NA |
| 5. | Professional Tax Registration Certificate (PTRC) (under the Gujarat State tax on Profession, Trade, Calling and Employment Act, 1976). | Himatnagar Nagarpalika | PRN068000182 | October 01, 2017 | NA |

LABOUR RELATED APPROVALS/REGISTRATIONS

| Sr. No. | Description | Authority | Registration No./Reference No./License No. | Date of Issue | Date of Expiry |
|---------|---|--|--|--------------------|----------------|
| 1 | Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Employees Provident Fund Organisation, Ministry of Labour, Government of India | GJAH0058018000 | September 04, 2015 | NA |

ENVIRONMENTAL RELATED APPROVALS/ REGISTRATIONS

| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---------|--|--|---|---------------------|-----------------|
| 1. | Gujarat Pollution Control Board (Section 25 of water (Prevention and Control of Pollution) Act, 1974, Section 21 of Air (Prevention and Control of Pollution) Act, 1981 and Authorization under Rule 3(c) and 5(5) of the Hazardous waste (Management and Handling) Rules 1989 under Environment Protection Act 1986.) | Regional Officer, Gujarat Pollution Control Board. | Letter No- GPCB/SK/RO-CCA-627/ID47451/16235 Consent order No: AWH42213 | July 09, 2020 | August 23, 2025 |

OTHER BUSINESS-RELATED APPROVALS

| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---------|-----------------|---|---------------------|---------------------|-------------------|
| 1. | Central License | Food Safety and Standards Authority of India, Government of India | 10723999000303 | February 20, 2023 | February 19, 2028 |
| 2. | ISO 9001:2015 | Quality Management System | QMS/23N317 | March 25, 2023 | March 24, 2026 |

INTELLECTUAL PROPERTY RIGHTS
TRADEMARKS

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

| Sr. No. | Trademark | Issuing Authority | Class | Application Number | Issue Date | Validity/ Renewal |
|---------|-----------|---|-------|--------------------|-------------------|-------------------|
| 1. | BANOTONE | Trade Marks Registry, Government of India | 5 | 2313159 | April 11, 2032 | April 10, 2032 |
| 2. | GASOSHEL | Trade Marks Registry, Government of India | 5 | 2493224 | November 24, 2015 | November 23, 2025 |

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|----|---|---|---|---------|----------------|----------------|
| 3. | LEMONADE BARLEY WATER | Trade Marks Registry, Government of India | 5 | 2313157 | April 11, 2032 | April 10, 2032 |
| 4. | REGULIN | Trade Marks Registry, Government of India | 5 | 3352193 | March 15, 2018 | March 14, 2028 |
| 5. | Shelter | Trade Marks Registry, Government of India | 5 | 1837944 | July 09, 2019 | July 08, 2029 |
| 6. |  | Trade Marks Registry, Government of India | 5 | 1837945 | July 09, 2019 | July 08, 2029 |

THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:

| Domain Names. No. | Registrant Name, ID and Address | Registered IANA ID | Registry Expiry Date |
|-------------------|---------------------------------|--------------------|----------------------|
| Shelter.co.in | D2130137-IN | 146 | November 11, 2026 |

FOOD & DRUG APPROVALS

| Sr. No. | Product Name | Issuing Authority | Drug License No. | Date Of Issue | Date Of Expiry |
|---------|----------------------|------------------------------------|------------------|------------------|------------------|
| 1. | Baldeepak Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 2. | Balamrit | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 3. | Itch Lotion | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 4. | Sheltidin Coughsyrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 5. | Banotone Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 6. | Shatavari Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 7. | Galsari Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 8. | Banotone Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 9. | Dentina Tooth Drops | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 10. | Gynoshel Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 11. | Sheltro Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 12. | Wormishel Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 13. | B-Purine Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 14. | Raktavikar Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 15. | Sheltazone Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 16. | Coldin Cough Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 17. | Gasoshel Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 18. | Wormishel Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 19. | Vomitin Table | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 20. | Monthex Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 21. | Happy Forte Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 22. | Gynoshel Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 23. | Meryn Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 24. | Dermocure Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 25. | Trifla Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 26. | Burnela Oil | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 27. | Sarakva Oil | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 28. | Cocoment Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 29. | Amla Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 30. | Galosatva | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 31. | Shelicine Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 32. | Manmasta Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 33. | Julab Goli Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 34. | Adalpin-S Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 35. | Stonyl Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 36. | Dhatu Pushtichurna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 37. | Fevarin Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 38. | Diabetone Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 39. | Sitopladi Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 40. | Shelina Rub Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 41. | Shelina Balm | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 42. | Shelodex Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 43. | Burnela Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 44. | Carmishel Mixture | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 45. | Dia-Phor Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 46. | Alkaliser Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 47. | Hairol | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 48. | Vegicont Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 49. | Livodin-12 Drops | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 50. | Ashvagandha Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 51. | Livodin-12 Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 52. | Dia-Dys Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 53. | Lactona Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 54. | Ci-Qine Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 55. | Enjoy - M6 Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 56. | Dia-Dunol Tab | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 57. | Pinil Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 58. | Lunil Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 59. | Bipinyl Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 60. | Pinil Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 61. | Nimol Tooth Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 62. | Stongun Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| \63. | Coldin Cough Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 64. | Gokhru Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 65. | Redushel Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 66. | B-Kleen Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 67. | Gynoshel Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 68. | Madhu Honey Pure | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 69. | Hairol Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 70. | Wormishel Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 71. | Ipsol Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 72. | Castor Oil | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 73. | Meryn Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 74. | Stonyl Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 75. | Shelocid Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 76. | Gasoshel Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 77. | B-Kleen Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 78. | D-Stress Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 79. | Pitston Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 80. | Tendanflam Liniment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 81. | Pitston Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 82. | Fevocap Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 83. | Sheltatone Tonic | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 84. | Livodin-12 Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 85. | Mahasudarshn Ghan Vati | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 86. | Mahanarayan Teil | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 87. | Chyavanprash | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 88. | Sudarshan Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 89. | Lemonade Barley Water | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 90. | Sherolax Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 91. | Shelirine Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 92. | Dia-Dys Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 93. | Prolax Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 94. | Germnash Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 95. | Dia-Vet Tablets (Bolus) | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 96. | Purgovet Tablets (Bolus) | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 97. | Gasopain Tablet (Bolus) | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 98. | Lactona Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 99. | Ekkol Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 100. | Fevon Tablet (Bolus) | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 101. | Wormokill Tablet(Bolus) | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 102. | Tonical Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 103. | Diavet Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 104. | Livodin-12 Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 105. | Cato-Food Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 106. | Rumerin Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 107. | Sennamol Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 108. | Wormokill Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 109. | Bijrol Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 110. | Kafol Mixture | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 111. | Carmishel Mixture | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 112. | Shelodex Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 113. | Germokill Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 114. | Septikill Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 115. | Stomach Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 116. | Ecbotone Tablet (Bolus) | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 117. | Regu-Vet Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 118. | Diaphorex Mixture | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 119. | Livodin Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 120. | Diarin Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 121. | Bucowlin Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 122. | Bucow Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 123. | Bucowdex Ointment | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 124. | Regulin Capsules | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 125. | Utrona Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 126. | Utrona Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 127. | Lact Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 128. | Lactois Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 129. | Gynovet -H Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 130. | Utis Care Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 131. | Prolapnil Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 132. | Refit Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 133. | Bone Care Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 134. | Prolapnil Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 135. | Wormokill Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 136. | Digesta Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 137. | New Lactona Bolus | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 138. | Arthovilla Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 139. | Steno Villa Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 140. | Coughnal Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 141. | Coughnil Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 142. | Jamunamrut Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 143. | Zenolax Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 144. | Kutchi Churna | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 145. | Babycare Gripe Water | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 146. | Utrona Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 147. | Shelocid Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 148. | Shelter's Lemonadebarley Water | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 149. | Aswagandha Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 150. | Karela Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 151. | Jethimadh Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 152. | Neem Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 153. | Arjuna Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 154. | Lasuna Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 155. | Brahmi Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 156. | Ardusi Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 157. | Gokhru Tablets | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 158. | Freshol Mouthwash | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 159. | Shelocid Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 160. | Leucozen Cough Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 161. | Calcy Villa Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 162. | Glucu Villa Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 163. | Gasoshel Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 164. | Shelocid Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 165. | Diadys Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 166. | Kafol Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 167. | Livoshel Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 168. | Utrona Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 169. | Kofshel Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 170. | Meryn Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 171. | Shelocid Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 172. | Lubrica-Ra | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 173. | Eraston Capsule | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 174. | Catoshel Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 175. | Prolapnil Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 176. | Vetoshel Powder | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 177. | Zymovilla Tablet | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 178. | Freshol Hand Lceanser Liquid | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

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| 179. | Freshol Hand Lceanser | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 180. | Freshol Hand Lceanser | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 181. | Refit - C | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |
| 182. | Emune -19 Syrup | Food & Drug Control Administration | GA/12 | October 12, 2020 | October 11, 2025 |

FOREIGN HEALTH MINISTRY APPROVALS

| Sr. No. | Description | Issuing Authority | Registration / License Number | Date of Issue | Date of Expiry |
|---------|--|--|-------------------------------|-------------------|-------------------|
| 1. | Product Registration Certificate- Coughnal Cough Syrup | United Arab Emirates Ministry Of Health & Prevention | 10423-12063-1 | June 06, 2023 | June 09, 2028 |
| 2. | Company Registration Certificate | State Of Kuwait Ministry Of Health. | COM/55-H | August, 2010 | NA |
| 3. | Manufacturing Site Renewal Certificate | United Arab Emirates Ministry Of Health & Prevention | 00003756 -C 4 | February 08, 2016 | June 09, 2026 |
| 4. | Manufacturing Site Registration Certificate | Director Pharmacy And Drug Control Department | 603 | February 05, 2020 | February 05, 2025 |

PENDING APPROVALS:

The Company has only one lender i.e. ICICI Bank Limited. The Company submitted a request for NOC via email and same is issued by the bank on January 22, 2025.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY:

NIL.

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities.

OUR GROUP COMPANIES

In terms of the SEBI (ICDR) Regulations, the term “Group Companies”, includes

- i. such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and
- ii. any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, for (i) above, all such companies with which there were related party transactions during the periods covered in the Financial Statement, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our promoters will not be considered as Group Companies.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors, our Group Companies includes:

Those companies disclosed as having related party transactions in accordance with Indian Accounting Standard (“AS 24”) issued by the Institute of Chartered Accountants of India, in the Financial Statements of the Company for the last three financial years.

Provided, companies which have been disclosed as related parties in the Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

All such companies which the Board has deemed to be material to be considered as Group Companies / Associates Companies.

Based on the above, **Shelter Pharmacy Private Limited** is our Group Company: -

Corporate Information-

| | | |
|------------------------------|---|------------|
| Date of Incorporation | November 21, 1996 | |
| CIN | U24231GJ1996PTC031166 | |
| PAN | AABCS5661B | |
| Registered Office | C/O Shelter Pharmacy, Shelternaga, Opp. St Bus stand, Himatnagar-000000, Sabar Kantha, Gujrat, India. | |
| Board of Directors* | Name of Directors | DIN |
| | Mr. Mustaqim Nisar Ahmed Sabugar | 01456841 |
| | Ms. Zubedabibi Nisar Ahmed Sabugar | 01470275 |
| | Ms. Parvezbanu Mohamed Rafiq Idariya | 01470286 |
| | Mr. Shakil Nisar Ahmed Sabugar | 01474868 |
| | Ms. Nusrat Mustakim Sabugar | 01474875 |

**As on date of this Draft Letter of Offer*

FINANCIAL INFORMATION

In accordance with the SEBI (ICDR) Regulations, Details of Reserves (excluding Revaluation Reserves), Sales, Profit after Tax, Earnings per Share, Basis / Diluted Earnings Per Share and Net Asset Value, derived from the latest Audited Financial Statements available on a standalone basis of our Group Companies are available on the website of our company at www.shelter.co.in.

OTHER CONFIRMATIONS

- a. None of our Group Companies Securities are listed on any stock exchange nor any of the Group Companies has made any public and / or rights issue of securities in the preceding three years.
- b. None of the above-mentioned Group Companies is in defaults in meeting any Statutory / bank / institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.

- c. None of the above-mentioned Group Companies is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up / insolvency proceedings.
- d. Our Group Companies has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

LITIGATIONS

Except as mentioned in the Chapter “*Outstanding Litigation and Material Developments*” beginning on page 151 of this Draft Letter of Offer, there are no outstanding litigation involving our Group Companies which may have a material impact on our Company.

INTEREST OF OUR GROUP COMPANY

Interest in the promotion of our Company

Except as disclosed in this Draft Letter of Offer, our Group Companies has no interest in the promotion of our Company.

Interest in the properties acquired or proposed to be acquired by our Company in the past three years or proposed to be acquired

Except as mentioned in the chapter titled “*Our Business*” under the heading “*Our Properties*” beginning on page 71 of this Draft Letter of Offer, Our Group Companies don’t have any interest in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of this Draft Letter of Offer.

Interest in the transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies are not interested in any transaction for acquisition of land or supply of machinery to our Company.

RELATED PARTY TRANSACTIONS BETWEEN OUR COMPANY & GROUP COMPANIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Except as disclosed under the Note “*Related Party Transactions*” on page 111 of this Draft Letter of Offer, there are no related business transactions of our Company with its Group Companies and significance of the same on the financial performance of our Company.

BUSINESS INTERESTS OF GROUP COMPANY IN OUR COMPANY

Other than as disclosed under the Note “*Related Party Transactions*” on page 111 of this Draft Letter of Offer, the group companies don’t have any interest in the business of our Company or interest of any other nature as on the date of this Draft Letter of Offer.

PAYMENT OR BENEFIT TO OUR GROUP COMPANIES

Except as stated under the Note “*Related Party Transactions*” beginning on page 111 of this Draft Letter of Offer, there has been no payment of benefits to our group companies during the Financial Year ended on March 31, 2024; 2023 and 2023.

COMMON PURSUITS

Except as disclosed in “*Our Business*” and “*Related Party Transactions*” on pages 71 and 111, respectively, none of our Group Companies are in the same line of business as our Company and there are no common pursuits between our Group Companies and our Company.

UNDERTAKING / CONFIRMATIONS BY OUR GROUP COMPANIES

None of our Promoters or Promoter Group or Group companies or person in control of our Company has been

- a. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- b. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Neither our Promoters, person in control of our Company or have ever been a Promoters, Director or person in control of our Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies / Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act 2013 read with relevant rules made thereunder & other applicable provisions of the law, by a resolution passed at its meeting held on January 08, 2025, authorized the Issue, subject to such other authorities as may be necessary, for aggregate amount of up to Rs. 50 Crore (Rupees Fifty Crore), by way of Right Issue(s), on such terms to be decided by the Board.

Our Board, in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●]. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

In principle Listing Approvals

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares to be issued in this Issue pursuant to their letter dated [*] bearing reference no. [*]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoters, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. 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.

We confirm that our Company, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoters or Director.
- Neither our Promoters, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, nor Promoter Group nor our Directors, are Wilful Defaulters or fraudulent borrowers.

PROHIBITION BY RBI

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers. by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 151 of this Draft Letter of Offer.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, the Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Draft Letter of Offer.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Outstanding Litigations and Material Developments*” beginning on page 151 respectively, of this Draft Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE SME Platform. Our Company is eligible to offer Equity Shares pursuant to the Issue in terms of Companies Act, 2013 read with relevant rules made there under, securities law and other applicable provisions of the law.

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 for listing of the Rights Equity Shares to issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

COMPLIANCE WITH PART B OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018

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 BSE; 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

THE PRESENT ISSUE, BEING LESS THAN ₹5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISION TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE DRAFT LETTER OF OFFER WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

DISCLAIMER STATEMENT FROM OUR COMPANY AND DIRECTORS

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company 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.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Our Company and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares

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 Ahmedabad only.

DISCLAIMER CLAUSE OF BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchange.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of the Issue is BSE.

LISTING

Our Company will apply to 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 RESTRICTION

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 Draft Letter of Offer, Draft Letter of Offer, Abridged Draft 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 Draft Letter of Offer, Draft Letter of Offer, Abridged Draft 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 Draft Letter of Offer, Draft Letter of Offer, Abridged Draft 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 this Draft Letter of Offer, Draft Letter of Offer, Abridged Draft 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 and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this 133 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 DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT 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 THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Abridged Draft 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 Draft 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 Regulation S 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 DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME

CONSENT

Consents in writing of: our Directors, Senior management, Key managerial personnel, legal advisor, Bankers to the Company, the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

EXPERT OPINION

Our Company has received written consent dated January 17, 2025 from our Statutory Auditor 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 January 20, 2025 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. 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 abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

NOTICE TO INVESTOR

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

FILING

SEBI vide the SEBI (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 the Stock Exchanges and not with SEBI.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/ CIR/2022/0150), in relation to redressal of investor grievances through SCORES. 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. Bigshare Services 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 Managing Director and/ or 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 Managing Director 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 (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 184 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Managing Director are as follows:

Registrar to the Company and the Issue:

M/s. Bigshare Services Private Limited
S6-2, 6th Pinnacle Business Park, Mahakali Caves Road,
next to Ahura Centre, Andheri East,
Mumbai- 400093, Maharashtra, India
Tel: +91 - 22 - 6263 8200
Email: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Swapnil Kate
SEBI Registration No.: INR000001385
CIN: U99999MH1994PTC076534
Validity of Registration: Permanent

Chief Financial Officer:

Mr. MohammedrafiqGulamnabi Shaikh
5th Floor, 501 Sakar 4, Opp. MJ Library,
Ashram Road, Paldi, Ellisbridge, Ahmedabad,
Gujarat, India, 380006
Contact No.: 9904502740
Email: rafiq@shelter.co.in

(This place has been left blank intentionally)

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Advisor are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Draft Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, other applicable laws and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from any statutory and/ or regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Draft Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Draft Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Draft Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access the Draft Letter of Offer, the Abridged Draft Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at <https://shelter.co.in/>
- (ii) The Registrar at <https://www.bigshareonline.com/>
- (iii) the Stock Exchanges at www.bseindia.com and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.bigshareonline.com/>) client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) & PAN. The link for the same shall also be available on the website of our Company (i.e., <https://shelter.co.in/>).

Please note that neither our Company nor the Registrar nor the Advisors shall be responsible for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, the Abridged Draft 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, Abridged Draft 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 is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Draft Letter of Offer, the Abridged Draft 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, the Abridged Draft 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, the Abridged Draft Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Advisor or their respective affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer, the Abridged Draft 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, the Abridged Draft Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Advisor or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Shareholders 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 Renounces, to make Applications in this Issue based on 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 "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

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" below. Our Company, the Advisor, 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, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" below.

➤ **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

➤ **Making of an Application through the ASBA process**

Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this 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.

Shareholders 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.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=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 this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) 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.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) 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.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

➤ **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 this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- a) Name of our Company, being Shelter Pharma Limited;
- b) 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);
- c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical formats on Record Date)/DP and Client ID;
- d) 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 this Issue
- e) Number of Equity Shares held as on Record Date;
- f) Allotment option – only dematerialised form;

- g) Number of Equity Shares entitled to;
- h) Number of Equity Shares applied for within the Rights Entitlements;
- i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- j) Total number of Equity Shares applied for;
- k) Total amount paid at the rate of [*] per Equity Share;
- l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- n) 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;
- o) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- p) 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
- q) All such Eligible Equity Shareholders are deemed to have accepted the following:

"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 except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation's.

I/ We acknowledge that the Company, the Advisor, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Registrar not having a liability to the Shareholders. The plain paper Application format will be available on the website on the Registrar at <https://www.bigshareonline.com/>.

Our Company, the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' 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 Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, 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 through email to the RTA at

- rightsissue@bigshareonline.com or by post, speed post, courier or hand delivery, so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment” mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

- a) Please read the Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.
- 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Advisor.
- 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 Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, 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, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or

the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders 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 Shareholders (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, Shareholders 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 Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Advisor, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) No investment under the FDI route (i.e. any investment which would result in the Shareholders 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 preexisting approval from the government. It will be the sole responsibility of the Shareholders 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. Company will not be responsible for any allotments made by relying on such approvals.
- t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

➤ Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, the Advisor, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), 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, including cases where a Shareholders 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 Shareholders within the time periods prescribed in the Application Form and the Draft Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand.
- o) If a Shareholders 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 Shareholders to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

- (a) Payment from third party bank accounts.

➤ Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement 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 “**Procedure for Applications by Mutual Funds**” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders 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 any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure - Intention and extent of participation by our Promoter” mentioned above.

➤ Procedure for Applications by certain categories of Shareholders

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 Shareholders group (which means multiple entities registered as foreign portfolio Shareholders 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 Shareholders 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 Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in

this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. 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.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

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 this 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 this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the Shareholders 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 Shareholders 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. The Advisor and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate 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 Shareholders"), 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 Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates 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 Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "Basis of Allotment" mentioned below.

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, Shareholders 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

Shareholders who have applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated 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, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received/ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN 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 on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.bigshareonline.com/>) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e. <https://shelter.co.in/>).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [*]. The said ISIN 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 there at.

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

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. <https://www.bigshareonline.com/>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [*] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also

requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

➤ Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well

➤ 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 favor 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.

➤ 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 Shareholders 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.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders 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 Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The 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 Shareholders.

(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 one 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 Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [*] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders 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 and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The 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 Equity Shares in the Issue.

The Shareholders 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 Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders 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 Shareholders' 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 Shareholders 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 the 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, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

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 Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- 1) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
- 2) Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- 3) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
- 4) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
- 5) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts refunds and other disbursements, if any shall be credited to such account.
- 6) Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The 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 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 mentioned above.

➤ Fractional Entitlements

Since the Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [*] ([*] Equity Shares for every [*] Equity Shares) held as on the Record Date. Accordingly, no circumstance would arise which would result in fractional entitlement.

➤ Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Draft Letter of Offer, the Abridged Draft 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 Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

➤ Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [*] dated[*]. Our Company will apply to BSE for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding

the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 543963) under the ISIN: INE013V01011. The 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 Equity Shares shall be debited from such temporary ISIN and credited to the regular ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, 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 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 this Issue by our Promoter 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 our Promoter”* mentioned above.

➤ **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted 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 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 the 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.

VII. 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 dematerialised mode is [*] 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 this 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 this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders 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.

➤ Notices

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Draft Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Draft 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 Abridged Draft Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi language national daily newspaper with wide circulation being the regional language of Mumbai, where our Registered Office is situated. The Draft Letter of Offer, the Abridged Draft 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/Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of 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 Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders 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 <https://www.bigshareonline.com/>. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Advisor and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Draft 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 Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter Offer, the Abridged Draft Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Advisor 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 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 Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the

Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders 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.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at email id: ipo@bigshareonline.com .

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE

| | |
|---|-----|
| LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENT | [*] |
| 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 on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [*] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [*].

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, the Abridged Draft 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 Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional 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 Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- c) Allotment to Renounees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) 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 Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

➤ Mode of making refunds

The payment of refund, if any, including in the event of over subscription or failure to list or otherwise would be done through Unblocking amounts blocked using ASBA facility.

➤ Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

➤ Receipt of the Equity Shares in Dematerialized Form

*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.

*Note – This is subject to necessary approvals from NSDL, CDSL, RTA and such other Authorities as may be required.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated January 31, 2023 with NSDL and an agreement dated June 01, 2016 with CDSL which enables the Shareholders 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.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders 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 Shareholders 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 Shareholders depository participant, would rest with the Shareholders. Shareholders' should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders' depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
5. The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) 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 this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange where the Equity Shares are to be listed will be taken by our Board within Seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "SHELTER PHARMA LIMITED - Rights Issue" on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

M/s. Bigshare Services Private Limited

B S6-2, 6th Pinnacle Business Park, Mahakali Caves Road,
next to Ahura Centre, Andheri East,
Mumbai- 400093, Maharashtra, India.

Tel: +91 - 22 - 6263 8200

Email: ipo@bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Sujit Halder

SEBI Registration No.: INR000001385

CIN: U99999MH1994PTC076534

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar: <https://www.bigshareonline.com/>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91-7045571837.

The Shareholders can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: <https://www.bigshareonline.com/>.
- b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://www.bigshareonline.com/>.
- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://www.bigshareonline.com/>.

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders at email id at rightsissue@bigshareonline.com

This Issue will remain open for a minimum 15 days. However, our Board 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 Closing Date)

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (FIFP) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("FDI Policy 2020"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must 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 FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been derecognized as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, noninstitutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), including the exemption under Regulation S ("Regulation S") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Advisor is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION IX – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at <https://shelter.co.in/> from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Registrar Agreement dated [*] between our Company and the Registrar to the Issue.
- (ii) Bankers to the Issue Agreement dated [*] among our Company, the Registrar to the Issue and the Bankers to the Issue.
- (iii) Tripartite Agreement between our Company, NSDL and the Registrar to the Company.
- (iv) Tripartite Agreement between our Company, CDSL and the Registrar to the Company

2. Material Documents

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated January 08, 2025, approving the Issue and other related matters.
3. Copies of Annual Reports of our Company for the Financial Year ending March 31, 2024, March 31, 2023, March 31, 2022.
4. Copy of the Resolution of Board dated [*], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
5. Resolution of our Board dated January 28, 2025 approving the Draft Letter of Offer.
6. Consents of our Promoters, Directors, Statutory Auditors, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer to act in their respective capacities.
7. Statement of Tax Benefits dated January 20, 2025 from the Statutory Auditors of our Company.
8. Audit Report for financial year ending on March 31, 2024, March 31, 2023 and March 31, 2022.
9. In-principle approval issued by BSE dated [*].

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 shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, 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 Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OF OUR COMPANY**Sd/-**

Mustaqim Nisarahmed Sabugar
(Managing Director, Chairperson)

Sd/-

Shaikh Shakil Nisarahmed Sabugar
(Whole Time Director)

Sd/-

Parvezbanu Mohamed Rafiq Idariya
(Director)

Sd/-

Mohammedrafiq Gulamnabi
(Chief Financial Officer)

Sd/-

Mosinkhan Gafarkhan Pathan
(Director)

Sd/-

Riyazahmed Abdulrauf S
(Director)

Date: January 28, 2025**Place: Ahmedabad**